PURPOSE

To provide an independent report on the social, economic and environmental benefits and costs associated with the City of Newcastle’s support for the Newcastle 500 Event.

RECOMMENDATION

1 Council receives the report as at Attachment A.

KEY ISSUES

2 The inaugural Supercars Newcastle 500 event held 24-26 November 2017 had a range of benefits and costs. These were analysed by independent consultants - Hunter Research Foundation Centre (HRFC) using the Five Capitals Framework: economic, natural, human, social and manufactured.

3 The total economic impact (direct and flow on) for the Newcastle Local Government Area (LGA) of hosting the Newcastle 500 Event in 2017 is estimated at $30.1M in gross revenue, and a total value add of $14.2M. That is, the economic impact of the event for the LGAs of Lake Macquarie, Port Stephens, Maitland and Cessnock have not been considered despite anecdotal evidence showing significant positive impacts.

Summary of Economic Impacts (extract from Attachment A)

<table>
<thead>
<tr>
<th>Impact</th>
<th>Output ($M)</th>
<th>Value-Add ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct expenditure by visitors¹</td>
<td>8.94</td>
<td>4.75</td>
</tr>
<tr>
<td>Flow-on effects in the economy of visitor expenditure</td>
<td>9.71</td>
<td>4.98</td>
</tr>
<tr>
<td>Direct local expenditure by Supercars Australia</td>
<td>4.97</td>
<td>1.56</td>
</tr>
<tr>
<td>Flow-on effects of Supercars Australia’s local spending</td>
<td>6.50</td>
<td>2.88</td>
</tr>
<tr>
<td>Total estimated economic effect:</td>
<td>30.1M</td>
<td>14.2M</td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN. ¹ Based on Scenario 2 estimation of day-trippers and overnight stays.

Visitor Expenditure

4 Analysis identified approximately 82,604 non-resident visitors to the area spanning Newcastle and Cooks Hill over the three-day event. Of these, 52,000 people were over and above the usual level of visitation to the area (ie. the...
analysis focuses on the uplift in visitor numbers created by the event). The data shows that the majority of event attendees were from the lower Hunter 62%, with a further 23% from interstate and the remainder from elsewhere in NSW.

Visitor expenditure was calculated based on banking transaction data from nine Australian banks which is weighted and scaled to account for all banks (data set from Geografia Spendmapp). This was augmented with data from Destination NSW to take account of the fact that any visitors to the event would have pre-paid their accommodation prior to the event period. Day trippers were estimated to spend $80 per day and overnight visitors, $191 per day.

Two scenarios were modelled in the report for visitor expenditure, the difference being the number of visitors assumed to stay in Newcastle for the event. In both scenarios, visitors from interstate, regional NSW and inner-city Sydney are assumed to stay overnight. In scenario 2, visitors from Wyong, Gosford and the Upper Hunter are also assumed to stay overnight. Both scenarios are limited to visitors limiting their stay to three nights ie neither scenario takes into account visitors who extended their stay either side of the event.

**Local Expenditure by Supercars Australia**

Data sourced from Integrated Engineering Design Management (IEDM) was used to determine the level of local expenditure by Supercars Australia during the bump-in, race period and bump-out phases of the event. The direct injection to local contractors and suppliers is estimated to be $4.97M in gross revenue with an additional $6.5M in flow on effects.

The modelling also suggests 57-65 full time equivalent jobs were generated for the year from the direct expenditure and additional 27-31 jobs from the flow on spending in Newcastle.

**The Other ‘Capitals’**

A range of data sources including: submissions to City of Newcastle (CN) by individuals and groups; various reports by CN and Supercars Australia; and in-depth interviews with eleven residents, business operators and other stakeholders were used to inform the non-economic assessment.

Regarding natural capital, this element included tree removal and replacement, impaired access for residents during the civil construction period and the event and induced tourism and business investment flowing from televised coverage. The key benefit identified was the positive media coverage of both the event and Newcastle as a modern, liveable city. Mainstream media recorded 267 items reporting the event with an audience of 8,641,042 people. Supercars social media posts reached 630,000 users.

As with most civil upgrade projects there were impacts on access during the civil construction period, compounded in 2017 with light rail works and significant building projects underway in Newcastle. This impact will not be repeated in future years.
Assessment of human capital benefits included skills and knowledge gained during the event, plus employment. A key benefit to Newcastle was that of the thirty-one food and beverage outlets at the event, twenty-two or 70% of these were based in the Newcastle LGA.

The event also provided experience for 740 volunteers. This was a combination of local and regional volunteers as well as those travelling from elsewhere in Australia.

For local businesses, a further benefit was learning new operating methods for large events and crowds. As a learning for future years, businesses also requested more information, and earlier in the year, regarding the event to assist with their planning.

A further human capital benefit was generated by the significant interaction required between all stakeholders to plan and implement the event. It also marked the first time a Government Coordination Centre was set up to coordinate emergency services. This has demonstrated the capacity of Newcastle to host large events.

Social capital benefits of the event related to civic pride, sense of place, identity and social cohesion. The event generated civic pride through showcasing Newcastle to a broad audience, with the event described as 'exhilarating' and 'phenomenal'. The report also documents that some East End residents and businesses experienced stress as a result of the event.

Manufactured capital refers to fixed assets and infrastructure associated with the event. For the 2017 event this is assessed as a positive impact due to the $8.8M accelerated capital works program implemented, providing renewal of roads, footpaths, kerbs and landscaping.

FINANCIAL IMPACT

There is no financial impact on Council from receiving this report.

COMMUNITY STRATEGIC PLAN ALIGNMENT

Open and collaborative leadership - 7.1a Encourage and support long term planning for Newcastle, including implementation, resourcing, monitoring and reporting; and 7.2a Conduct Council business in an open, transparent and accountable manner.

IMPLEMENTATION PLAN/IMPLICATIONS

The report provides greater understanding to CN on the nature and distribution of benefits and impacts across Newcastle. This will assist in the future planning and delivery of major events in Newcastle.

RISK ASSESSMENT AND MITIGATION

Independent consultants were engaged to report on the 2017 Supercars Event.
RELATED PREVIOUS DECISIONS

22 At the Ordinary Council Meeting held on 24 October 2017, Council resolved to engage an independent consultant to assess the social, economic and environmental benefits and costs of the 2017 Supercars Event.

CONSULTATION

23 The methodology used by HRFC included eleven face-to-face interviews with a range of stakeholders representing Newcastle East residents, a charity associated with the event, a school principal, two car enthusiasts, Newcastle Airport and five business operators (three within the race precinct and two outside). The methodology was presented to Councillors at a workshop on 10 July 2018. An overview of the findings was presented at a workshop on 16 October 2018.

BACKGROUND

24 HRFC were engaged by CN to determine a suitable methodology to estimate the economic and non-economic impact of the event during the key phases and make recommendations for increasing the benefits and reducing the negative impacts for businesses and residents.

25 HRFC used the Five Capitals of Sustainable Development to identify and evaluate the distribution of benefit and burdens. The five capitals encompass financial capital (economic impacts); human capital; social capital; environmental capital; and manufactured capital. The study was undertaken using a variety of data sources, looking at both qualitative and quantitative evidence. It has established a framework that can be used in future years to allow comparison of the impact of the event over time.

OPTIONS

Option 1

26 The recommendation as at Paragraph 1. This is the recommended option.

Option 2

27 Council not receive the report. This is not the recommended option.

ATTACHMENTS

Attachment A: Impact of Newcastle 500 2017 Report, prepared by Hunter Research Foundation Centre
NEWCASTLE 500 SUPERCARS EVENT

Economic and Non-economic Impact Assessment for the City of Newcastle

October 2018
# TABLE OF CONTENTS

EXECUTIVE SUMMARY ........................................................................................................................................... 1
BACKGROUND.......................................................................................................................................................... 4
Methodology ............................................................................................................................................................ 4
Economic assessment methodology ....................................................................................................................... 5
Non-economic assessment methodology ........................................................................................................... 11
Five capitals framework ......................................................................................................................................... 13
The race precinct ...................................................................................................................................................... 15
Cumulative impacts of the accelerated civil works and light rail construction .................................................. 17
RESULTS AND ANALYSIS ................................................................................................................................... 18
Economic capital ..................................................................................................................................................... 18
Results ................................................................................................................................................................. 18
Natural capital ....................................................................................................................................................... 32
Summary of impacts to natural capital ................................................................................................................ 43
Human capital ....................................................................................................................................................... 44
Summary of impacts to human capital ................................................................................................................. 48
Social capital ......................................................................................................................................................... 48
Summary of impacts to social capital .................................................................................................................. 54
Manufactured capital ............................................................................................................................................ 55
Summary of impacts to manufactured capital .................................................................................................... 57
CONCLUSIONS ...................................................................................................................................................... 58
Appendix A ............................................................................................................................................................. 60
Appendix B ............................................................................................................................................................. 61
# FIGURES AND TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Attendee Uplift Over the Race Week (Newcastle-Cooks Hill SA2)</td>
<td>19</td>
</tr>
<tr>
<td>Table 2</td>
<td>Estimated visitor uplift associated with the event¹</td>
<td>22</td>
</tr>
<tr>
<td>Table 3</td>
<td>Estimated visitor uplift split between ‘day-trippers’ and ‘overnight stays’, Scenario 1 and Scenario 2.</td>
<td>25</td>
</tr>
<tr>
<td>Table 4</td>
<td>Estimated visitor expenditure actual vs ‘counterfactual’, Scenario 1 and Scenario 2.</td>
<td>26</td>
</tr>
<tr>
<td>Table 5</td>
<td>Direct and Flow-on Impacts of the Supercars Event, Visitor Expenditure (Scenario 1)</td>
<td>27</td>
</tr>
<tr>
<td>Table 6</td>
<td>Direct and Flow-on Impacts of the Supercars Event, Visitor Expenditure (Scenario 2)</td>
<td>27</td>
</tr>
<tr>
<td>Table 7</td>
<td>Direct and Flow-on Impacts of the Supercars Australia Local Spend</td>
<td>28</td>
</tr>
<tr>
<td>Table 8</td>
<td>Summary of Economic Impacts – Scenario 1</td>
<td>28</td>
</tr>
<tr>
<td>Table 9</td>
<td>Summary of Economic Impacts – Scenario 2</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Five Capitals Framework</td>
<td>14</td>
</tr>
<tr>
<td>Figure 2</td>
<td>Race Track Area and Residents Only Access Areas</td>
<td>15</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Newcastle-Cooks Hill SA2 (Event Space)</td>
<td>16</td>
</tr>
<tr>
<td>Figure 4</td>
<td>Population Count, Newcastle-Cooks Hill SA2</td>
<td>19</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Uplift in Population Counts, Newcastle-Cooks Hill SA2</td>
<td>20</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Visitors to Newcastle-Cooks Hill SA2, Race Event vs Ordinary Weekend</td>
<td>21</td>
</tr>
<tr>
<td>Figure 7</td>
<td>Visitors to Newcastle-Cooks Hill SA2 by Origin</td>
<td>23</td>
</tr>
<tr>
<td>Figure 8</td>
<td>Uplift in Visitors to Newcastle-Cooks Hill SA2 by Origin of Visitor</td>
<td>24</td>
</tr>
<tr>
<td>Figure 9</td>
<td>Infrastructure Roll-Out by Date</td>
<td>37</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

The City of Newcastle asked the Hunter Research Foundation (HRF) Centre to conduct an economic and social impact assessment of the Newcastle 500 Supercars event that was held between November 24 and 26 in 2017.

As part of this assessment, the HRF Centre was asked to make recommendations designed to enhance the benefits and reduce the effects of any negative impacts of the event. We have recorded relevant insights here by relaying opportunities and considerations expressed by interviewees.

This analysis effort has been designed to collect and document in an objective way data and perspectives on the impacts of the lead up, event and aftermath of the Newcastle 500 Supercars race and associated construction and activity.

The analysis employs reports, submissions, and ‘big data’ to assemble a picture of how many people showed up, what they spent, and what the benefits and burdens were of the preparation phases, event management, and clean-up operations. These benefits and burdens are estimated in quantitative terms, and they are characterised in qualitative terms, as well. The approach undertaken is increasingly employed in impact assessment – attending to effects in five areas, or ‘capitals’ – financial, infrastructure, skills, social bonds, and natural environment.

Economic Assessment

Key elements of this research effort include assessment of income generated for the Newcastle Local Government Area (LGA) by:

- Event weekend – 24 to 26 November 2017. We employ data on attendees, including from inside NSW but outside the LGA and interstate, to estimate the number of unique additional visitors and visitor expenditure associated with the event. We drew on a range of sources to formulate estimates. These sources include Telstra mobile phone data, data on credit card spending from a major bank, and Geografia Spendmapp data and calculations for this and other such events (e.g., Bathurst Supercars assessment).

- Supercars Australia spend during bump-in, race and bump-out (October to December, including the event weekend) – estimate using NCC’s Remplan I-O model the direct and indirect expenditure and employment generated by the event.

The total economic impact (direct and flow-on) for the Newcastle LGA from hosting the Newcastle 500 Event in 2017 is estimated to be between $27.8M- $30.1M in gross revenue. An alternative economic measure that focuses on net benefits is ‘value add’.

This figure is a $13M- $14.2M injection into the local economy. Value-added subtracts local expenditure and expenditure on regional imports from gross output. It might be thought of as the consumer or local surplus associated with the event. We estimate that between 112-124 full-time equivalent jobs (FTE: equal to a full year’s employment) have been generated from direct and flow-on impacts.

Table A.1 Summary of Economic Impacts

<table>
<thead>
<tr>
<th>Impact</th>
<th>Output ($M)</th>
<th>Value-Add ($M)</th>
<th>Jobs (FTE, 1 year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct expenditure by additional visitors¹</td>
<td>$8.94</td>
<td>$4.75</td>
<td>65</td>
</tr>
<tr>
<td>Flow-on effects in the economy of visitor expenditure</td>
<td>$9.71</td>
<td>$4.98</td>
<td>31</td>
</tr>
<tr>
<td>Direct local expenditure by Supercars Australia</td>
<td>$4.97</td>
<td>$1.56</td>
<td>9</td>
</tr>
<tr>
<td>Flow-on effects of Supercars Australia’s local spending</td>
<td>$6.50</td>
<td>$2.88</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total estimated economic effect:</strong></td>
<td><strong>$30.1M</strong></td>
<td><strong>$14.2M</strong></td>
<td><strong>124</strong></td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN Economy. ¹ Based on Scenario 2 estimation of day-trippers and overnight stays.

This analysis focuses on additional visitor² spend over the three-day period of the event, although it is acknowledged that benefits from additional visitor expenditure may have occurred either side of the race weekend.

We estimate that approximately 82,600 non-resident visitors came to the Newcastle-Cooks Hill area during the three day event on 24-26 November 2018. Of these visitors, 52,000 people were over and above the usual number of visitors, with ‘usual’ defined by an ordinary three-day weekend in May 2017. This figure represents a 170 per cent uplift on the ordinary visitor population.

**Non-Economic Assessment**

The study revealed evidence of the following key positive impacts:

- Exposure - Promotion of Newcastle and the Hunter region, and the potential for induced tourism as a result of event exposure;
- Profit - Financial gain and skills transfer to individuals from the Hunter region employed at the event;
- Lessons - Some skills and knowledge transfer to business operators;
- Management - Stakeholder exposure to management of large-scale events, including benefits of increased networking and relationship building; and
- Pride - An increase in civic pride and positive associations for attendees.

² Count of unique individuals per day present in the event space, who reside outside the Newcastle LGA.
The study revealed evidence of the following key **negative impacts**:

- **Accessibility** - Particularly for residents in and around the perimeter of the race precinct, and particularly during the bump in period and event weekend;
- **Impacts to community cohesion** - Due to conflict and a perceived conflict in values, particularly between Newcastle East Residents and Supercars / patrons;
- **Stress** - Reportedly experienced by those interviewed and due to uncertainty, loss of business, conflict and a perception of limited sharing of information;
- **Erosion of trust in some organisations** - Of those interviewed, some residents expressed less trust in Council, and some businesses expressed less trust in Supercars.

The following **opportunities and considerations were expressed by interviewees**:

- Promoting the message that Newcastle is ‘still open for business’ for non-attendees of the event, to lessen the impact of crowding out;
- Community building activities such as greater involvement or promotion (where possible) with Newcastle-based charities;
- Supercars to show good will to business operators where possible, such as further discounts on patron tickets or advice (e.g. corporate catering);
- Placement of satellite events outside the race precinct to attract and retain patrons and non-patrons;
- Inclusion of additional resident-only access points to aid resident accessibility during the event; and
- Early communication of race precinct, including exclusion and inclusion zones, parking changes and drop off points.
BACKGROUND

Supercars Australia, Destination NSW and the City of Newcastle (CN) delivered the inaugural, Newcastle 500 Supercars event (the event) in November 2017 (Friday 24 to Sunday 26). This event was forecast to attract around $50m in tourism to Newcastle and the surrounding areas and stimulate activity, jobs and investment in the Hunter region over five years. It was expected to be broadcast to an audience of 220 million viewers nationally and internationally. The promotion of the city to a national and international audience is intended to attract increased visitation and investment in the city in the longer term.

The City of Newcastle engaged the Hunter Research Foundation (HRF) Centre to conduct a social and economic impact assessment of the Newcastle 500 Supercars event. Specifically, NCC requested the HRF Centre to:

- Determine a suitable methodology to estimate the economic and non-economic impact of the event during key phases (before, during, and after) using existing data sources; and
- Provide recommendations for increasing the benefits and reducing any negative impacts received by local businesses and residents.

METHODOLOGY

There were four stages to the methodology, including:

- Stage 1 - Development of an evaluation framework
- Stage 2 - Estimation of key economic benefits / costs and flow-on impacts through analysis of:
  - Spectator and visitor expenditures (direct and flow-on impacts)
  - Other economic impacts (civil works construction and negative economic impacts due to disruption to normal trading)
- Stage 3 – Estimating other non-economic costs and benefits through analysis of:
  - Submissions, reports, observations, and other data
  - In-depth interviews of residents and business operators and nonprofit operators.
- Stage 4 – Development of draft and final reports and presentation to the City of Newcastle Councillors.

A ‘five capitals’ framework was employed to assess the economic and non-economic impacts of the Newcastle 500 Supercars event. This framework is discussed in more detail in the following section.
Ethical approval for the research

As part of the University of Newcastle’s research protocols, the HRF Centre gained ethical approval for the research through the University’s Human Research Ethics Committee (HREC). The HREC has responsibility for reviewing the ethical acceptability of research and ensuring compliance with regulatory and legislative requirements as well as University policies relating to human research. The principal point of reference for the HREC is the NHMRC’s National Statement on Ethical Conduct in Human Research. The primary purpose of the National Statement is the protection of the welfare and rights of participants in research. It is binding on all institutions and organisations that receive research funding from the Australian government.

As part of the ethics application process, the HRF Centre was required to provide details on the following:

- The methodology for the impact assessment, including rationale;
- Method and rationale for recruitment of individuals;
- All research instruments, such as the discussion guide, consent form and Participant Information Statement (see Appendix B);
- Methods used to ensure free and informed consent from individuals participating in the research (the consent form is provided in Appendix B);
- Processes to ensure the confidentiality and privacy of research participants was maintained.

All research participants were provided with a Participant Information Statement that clearly detailed the objectives and method of the research, and outlined their rights with regard to withdrawing from the study and avenues for complaint or requests for further information. All participants were required to sign a consent form to participate in the research.

ECONOMIC ASSESSMENT METHODOLOGY

Spectator and visitor expenditure

A key economic impact of motorsport events is the financial injection or impact of visitor expenditure from race attendees immediately preceding, during, and immediately after the event. This spending represents a direct economic benefit for local businesses, who would be earning extra money from out-of-town visitors. The flow-on benefits of this expenditure can also be estimated, benefits for their supply-chain and in what economists call ‘household multipliers’, or how much each household on average would be expected to benefit.
Two key pieces of information are required to model this financial injection for the Newcastle LGA:

a) the numbers of persons from outside the Newcastle LGA attending the Newcastle 500 event in 2017; and

b) their average expenditure in the local economy during the event.

This information has been obtained using relatively new data sources, including custom analysis of ‘big data’ - credit card and mobile phone use, sources already commissioned by CN. We analysed data from Telstra Location Insights acquired by CN, which provides counts of unique visitors - defined as people from outside the LGA - at the race precinct during the event.

To determine expenditure values, data from Destination NSW/REMPLAN on tourist expenditure (again distinguishing day-trips from overnight stays) and Geografia Spendmapp data on out-of-region visitors has been utilised (see Results section).

**Bump-in, bump-out expenditure and expenditure over the race weekend.**

An additional expenditure injection was considered, local expenditures that represent city benefits relating to the bump-in and bump-out of the event and the event itself. This figure predominantly relates to the *bump-in and bump-out expenditure on local suppliers*. CN data and data from Integrated Engineering Design Management (IEDM) have been employed to determine the level of local expenditure by Supercars Australia during the bump-in, bump-out period and during the race period.

CN agreed that the analysis would exclude the civil works period associated with the event, which occurred in the lead up to the Newcastle 500, from both the economic and non-economic assessment. The exclusion was on the basis that the civil works were largely already planned to take place in the future, but they were brought forward to enable preparation for the November 2017 event. That is, these civil works would have occurred anyway; so, they could not be seen as a unique cost or benefit due to the race.

**Direct and Flow-on Impacts, Input-Output Models**

Both the *direct* and *indirect (flow-on)* economic impacts of visitor expenditure can be estimated with the data available.

**Direct impacts:** dollar output and value added. Value added is equivalent to the contribution to gross regional product (the local equivalent of gross domestic product), which reflects spending received minus investments made to host the event.

**Flow-on impacts:**

1. Changes in household income measure the benefit received by regional households from economic activity. It typically refers to compensation of employees but can also include income in return for other forms of productive
activity. For example, if a local vendor of bottled water receives more income on the race weekend, how much of this extra income is spent locally?

2. Employment, which refers to full-time equivalent (FTE) employment, is a measure of the total level of labour resources used. The additional employment generated can be tallied, essentially, by adding the total hours worked for full-time and part-time employees and contractors.

**Input Output Modelling**

To estimate the flow-on economic impact of the Newcastle 500 on the Newcastle LGA, we utilised Input-Output (I-O) models to estimate economic impacts that could be directly associated with the: a) bump-in, b) race period, and c) bump-out.

An I-O model provides a descriptive snapshot of a particular economy at a point in time. I-O modelling assumes that each industry in an economy is related to every other industry. The relationship is strong between some industries (e.g., coal and transport are closely related) and weak between others (e.g., coal and communications tend to have a weaker relationship). Assessments using I-O models estimate the ‘economic impact’ of a change in economic activity caused by either an increase or decline in spending associated with a specific industry.

The construction of a new port facility is an example of an injection into an economy because its construction expenditure of, say, hundreds of millions of dollars, will generate demand for labour and resources, which will be combined to form the new port facility. A withdrawal of activity from an economy creates a negative impact. The results of the analysis are shown in terms of the value of the goods and services that are generated/lost (which will generally be more than the initial increase or decline in spending) and the number of jobs that are created/lost within the defined economy. I-O analysis essentially identifies and evaluates linkages between sectors in the economy. The analysis uses the expenditure by visitors to the race event and contractor spending related to the Newcastle 500 as a starting point. It then tracks backward through the various sectors in the economy to identify the contribution that each sector makes to these two channels of expenditure.

As the connections are traced backward, the analysis is made in terms of the:

(a) Initial (direct) impacts of the expenditure, and the
(b) Flow-on (induced) impacts.

In conceptual terms, initial impacts can be thought of as causes and flow-ons as the effects. The expenditure passing backward diminishes with each succeeding round, as money is lost to both purchases outside the defined economy (leakages) and government revenue (taxes). Eventually, these losses erode the flow-on effect to zero and an aggregate impact can be derived.

I-O analysis can estimate the value of all the goods and services, and the level of employment, required to produce a certain amount of output in a specific industry. This
estimation enables the impacts of the operation of a particular industry to be measured in each specific sector of the economy.

To quantify the monetary benefits associated with a particular activity or expenditure, REMPLAN Economy’s 2018 (I-O) model for the Newcastle LGA has been used. REMPLAN models are built using the latest available secondary data sourced from the Australian Bureau of Statistics (ABS).

The main demographic and economic datasets employed in this report include:

- ABS, Place of Work data from the 2016 Census of Population and housing
- ABS 2014/2015, National Input/Output tables, and
- ABS June 2017 Gross State Product.

These datasets underpin the REMPLAN model for the Newcastle LGA, which details the contributions made by each industry sector to the local economy. The REMPLAN modelling has been calculated at the 114 industry sector level (finest granularity available for industry classifications and the inter-relationships between industries).

The REMPLAN I-O model allows us to estimate the flow-on impacts within the Newcastle LGA from the direct expenditure. The flow-on impacts are the sum of two separate impacts:

- the additional productive activity created within the Newcastle LGA in response to the initial program expenditure (termed production-induced or supply-chain impacts). There are two components to the production ‘multiplier’: the First-Round multiplier and the Industrial Support multiplier, and
- the additional consumption expenditure as workers receive incomes (in the form of employee compensation and payments to third-party suppliers) from the initial activity (consumption-induced impacts).

These direct and flow-on effects are summed to estimate the total economic impact. Direct economic effects are estimated from spending, and indirect supply-chain economic effects are estimated as the spending and re-spending in the area by suppliers, which benefits local businesses and firms. Consumption-induced impacts are estimated as spending in the local economy by those employed by the Newcastle 500 and as a result of the uplift in the visitor population.

Economic multipliers are coefficients derived from economic data (such as National Input/Output tables) and are applied to the original expenditure flows (visitor and contractor spend). They are used to estimate the impact of all expenditure available to be re-spent in the community or region. The economic multiplier corrects for expenditures that leave the Local Government Area (that is, leakage).
The particular economic multipliers used in this study are derived from REMPLAN Economy Access, as described above. The sectors used in the REMPLAN Economy model are defined in Appendix A.

The underlying assumptions of this approach need to be kept clearly in mind. The assumptions are listed below (REMPLEXAN, 2018)^3:

1. *Fixed regional production coefficients* – implying constant returns to scale.
2. Regional performance matches national and state average performance.
3. Input proportions will remain the same, and there will be *no change in technology*.
4. *Homogeneity among industries* – it is assumed that each industry sector produces a fixed set of products that are not produced by any other sector.
5. *No supply constraints* – it is assumed that the intermediate and household sectors are able to service any increases in final demand. This assumption could weaken the predictive capacity of the model in those cases where increases in overall demand could bring input shortages and raise prices in the short term.

The information provided above is intended to enable non-economists to understand key aspects of the economic modelling. It can also help economists to understand how to reproduce the analysis undertaken, to check that it has been done in a way that they see as appropriate.

**Estimating Visitor Expenditure**

**Defining the Visitor Uplift**

There are two points to consider when using estimates of population counts associated with the race event in our economic impact analysis:

1. For the purposes of this analysis, expenditure on the event by residents of the Newcastle LGA is assumed to be ‘expenditure switching’. That is, it is assumed that money spent by Newcastle LGA residents on the Newcastle 500 would have been spent on another good or service within the Newcastle LGA within the year^4. For this reason, we have excluded the expenditure of residents of the Newcastle LGA who were present in the Newcastle-Cooks Hill SA2 during the race weekend.

2. The dollar uplift in visitor expenditure for the Newcastle 500 is the total estimated expenditures undertaken by those who would not ordinarily have been in the race precinct but for the event. That is, dollar uplift from visitors is a function of how

---

^3 REMPLAN ECONOMY 2018: MODEL OVERVIEW.

^4 This assumption follows conventions for analysis of the 2012 ‘Supercheap Auto Bathurst 1000’ and Ernst and Young (2011) ‘The Economic Impact of the 2011 Formula 1 Australian Grand Prix’.
many additional people were brought to the Newcastle-Cooks Hill SA2 by the Newcastle 500 and how much each of these visitors is estimated to have spent.

The above caveats lead us to seek an estimate of the ‘visitor uplift’ associated with the Newcastle 500. This focus means excluding from counts over the three-day race period:

a) a figure for how many people who would ordinarily have been in the Newcastle-Cooks Hill SA2 on any weekend (whether or not they resided there) and

b) the number of people who were present in the event space but reside in the Newcastle LGA, and therefore were not visitors.

Crowd and Visitor Counts

Counts of unique individuals present per day in the event space have been provided by Telstra Location Insights data. Daily counts have been provided for the event week, as well as an ordinary week in May. Telstra Insights data are derived from aggregating and anonymising data on the number of mobile phones present that were linked to Telstra’s national mobile network and overlaying these figures with demographic data derived from the Telstra Customer Relationship Management (CRM). These data are then weighted using the ABS’s universal estimates, e.g., what percentage of individuals are in the 18-25 year old age bracket nationally, compared to what percentage among Telstra customers. The figures are then projected from the Telstra sample (as the company covers ~40% of the Australian adult population) onto the total Australian population to estimate the actual population in a given area.

So, one starts with an estimate of what portions of the market Telstra has. Then, from that, calculate what the general population in the race precinct would have been to correspond to the number of Telstra phones picked up in the count.

Visitors are defined as persons present in the event space who ordinarily reside outside the Newcastle LGA, as noted. The visitor uplift is defined as the difference between visitor counts over the three-day race period and an ordinary three-day period, which for comparison was selected by Telstra to be in May.

Per Person Per Day Visitor Expenditure

Geografia Spendmapp provides detailed data on daily expenditure activity within the Newcastle LGA, based on real banking transaction data. The data are compiled using both raw EFTPOS and credit/debit transaction data from nine Australian banks, including one of the big four. Geografia then apply a proprietary weighting method used by banks to scale up the data so it accounts for all Australian banks, all transactions made by non-card methods, cash, cheque, B-PAY and direct debits.

To do this tally, they weight transaction values using the RBA’s triennial Consumer Payments Survey and apply them individually to the more than 900 merchant types that make up our Expenditure Categories. Finally, Geografia Spendmapp apply small adjustments to transaction amounts and volumes if there is a risk that a particular
business or individual can be identified in the data. Often these adjustments are the addition or subtraction of a random number or a small percentage of the actual value. These measures ensure that, for areas where there is a small number of businesses and/or residents, their expenditure behaviour is not exposed.

Data on expenditure of ‘visitors’ (persons from outside the Newcastle LGA) inside the Newcastle LGA are available for the event weekend from Geografia Spendmapp. Visitor local spend refers to expenditure by cardholders and businesses from outside the Newcastle LGA that is spent at merchants located within the Newcastle LGA. That figure represents the amount of external demand met by local supply.

It is a convention in evaluation of visitor spend for motorsport events that expenditure on food, beverage and merchandise associated with the race precinct is excluded. That is done on the basis that revenue generated goes to suppliers who have a contract with Supercars Australia rather than the money flowing into the local economy. Geografia Spendmapp record the location of expenditure based on the location of registration of the merchant terminal. Thus, we can be confident that these Spendmapp data capture expenditure received by local merchants, rather than any non-local merchants within the race precinct.

Expenditure on pre-paid accommodation, which occurred in advance of the event period, will not be captured in the Geografia Spendmapp data. To supplement this missing data, data on expenditure for visitors to the Hunter region is available from Destination NSW for the year to March 2018\(^5\). It provides total dollar expenditure and number of visitors travelling domestically and staying overnight in the region\(^6\).

**NON-ECONOMIC ASSESSMENT METHODOLOGY**

A review of existing documentation was undertaken to inform the non-economic assessment. This included analysis of the following City of Newcastle (CN) and Supercars documents:

- Submissions to Council regarding the Supercars event (see section below ‘Submissions to Council’);
- Newcastle sub-contractors list (CN)
- Master Construction Program (CN)
- Master Deconstruction Program (CN)

---


\(^6\) Data provided by CN collected by STR on 16 hotels, motels and other forms of short-term accommodation in the Newcastle LGA indicate that the Average Daily Charge Out Rate over the period Friday 24-Sunday 25 November 2017 for the race event was 115 per cent higher than a year prior. This figure is assumed to be the event weekend ‘premium’ for those staying overnight in the Newcastle LGA, and accommodated in the hospitality sector and through home hire. This uplift is only applied to the accommodation proportion of the local spend for those deemed to be staying in accommodation/home hire. The total per day spend is estimated based on Destination NSW figures on expenditure for domestic overnight stays within the Hunter. To calculate the accommodation spend the percentage split of total expenditure between accommodation and other forms of expenditure is assumed to be the same as the figure employed by the Western Research Institute – *Economic Impact Assessment of the 2012 Supercheap Auto Bathurst* 1000, Table 3.1 Average Expenditure Per Person Per Day in Bathurst.
• Supercars Works and Benefits (CN)
• Newcastle 500 Coverage Report (CN)
• Communication and Engagement Activities – 2017 Civil Works and Supercars Event (CN)
• Major Events Residents Working Group (MERWG) meeting minutes and actions
• Business and Resident Accreditation Guide (Supercars)
• Temporary Infrastructure Guide (Supercars)
• Noise Management Plan (Supercars)
• Community and Stakeholder Outcomes Report (Supercars)
• Newcastle East Residents Group (NERG) Supercars Business Impact Report.

Submissions to Council

The analysis for this report included scrutiny of submissions to Council regarding the event. Extensive submissions were provided by NERG and residents belonging to NERG. The submissions relate to factors such as problems encountered with access, particularly by residents with disabilities, noise levels, and visible damage to properties, economic loss experienced by businesses, personal financial costs of the event (e.g. pet boarding), anti-social behavior, pollution associated with the event, safety concerns, damage to parks and green spaces, impacts to human health (stress, and noise) traffic and road issues and delayed removal of infrastructure.

Council provided, in addition to these submissions, responses that they had sent in relation to the concerns or complaints raised. Council’s points were assessed in the analysis presented here, as well. The submissions received by Council and provided to the HRF Centre were as follows:

• Submission by NERG – During the event copy for Council including responses from NCC, Supercars, Police and the Department of Families and Community Services (FACS);
• Two submissions by individual residents (residents can not be identified for privacy reasons);
• MAP Marketing Survey – Away from the race track combined (survey with 112 businesses within the race precinct and 131 businesses located outside of the race precinct).

The points offered in the submissions are addressed here according to which of the five capitals is the most relevant. That enables us to bring to bear multiple sources in the analysis for each capital – data from various reports, submissions, and insights from interviews.

In-depth interviews

A total of eleven in-depth interviews were conducted with residents, business operators and other relevant stakeholders. Participants were interviewed using a semi-structured discussion guide with questions focused on the positive and negative impacts of the event across the five capitals (see below for description of the five capitals).
While it is not possible to identify the participants specifically, these participants included:

- A member of the Newcastle East Residents Group (NERG);
- A member of the Major Events Resident Working Group (MERWG);
- A President of a charity involved with the event;
- A school Principal;
- Two car enthusiasts;
- A representative from Newcastle Airport; and
- Five business operators, including three inside the race precinct and two outside.

In addition, HRFC made attempts to contact 12 other stakeholders for inclusion in the research, with four refusals and nine non-responses.

**Informal observations**

Analysis of the event was made in the context of observations by a member of the research team on the event weekend in November 2017. These observations took in factors such as access, crowd numbers, the locations and array of vendors, and the foot traffic and apparent volume of business for shops from immediately outside the race precinct to the Wickham railway interchange and the Marketown shopping centre. The ticket for admission to the race precinct and observation from Fort Scratchley was provided by the City of Newcastle.

Additional impressions of the event have been gained, as one might expect, through informal conversations with residents of the precinct and acquaintances of residents, from business owners inside and outside the race precinct, from staff with various professional organisations and government bodies, as well as through media coverage. The analysis for this report focuses on the systematically gathered information – interviews, scrutiny of documents provided by Council, Supercars, and citizen groups, and calculations based on big data.

**FIVE CAPITALS FRAMEWORK**

A five-capitals framework enables categorising the array of impacts of the Newcastle 500 Supercars event. This model defines community resilience in terms of different areas of city ‘assets’, or five capitals – economic, natural, human, social and manufactured. This approach has been developed and promoted by a number of sustainable society experts (e.g., Beckley et al. 2008; Ellis 2000; Hart 1999).
The capitals can be summarised as follows:

- Economic capital: the current production of valued goods and services of an economy;
- Natural capital: the environment and natural resources of a location, such as beaches, rivers and forests;
- Human capital: the skill sets and knowledge of residents and business operators;
- Social capital: the social relationships and networks of a community; and
- Manufactured capital: the goods and fixed assets of a geographical area, including buildings and all forms of infrastructure, such as roads, bridges and walkways.

Figure 1 Five Capitals Framework

---

7 Image from Forum for the Future, https://www.forumforthefuture.org/the-five-capitals
**THE RACE PRECINCT**

The following map details the race precinct including the race track area (in red) and resident-only access areas (in blue).

**Figure 2 Race Track Area and Residents Only Access Areas**

Source: City of Newcastle.

As outlined above, the Western border of the race track was Watt St, with a southern border of Shortland Esp, Zaara Street and Scott Street. The eastern border was Parnel Place and Nobbys Road with a northern border of Horsehoe Beach Road and Wharf Road.

**Definitions**

**Economic Assessment**

**Event Space**

Following the definition used in the Telstra Location Insights data the event space or precinct is defined as the Newcastle-Cooks Hill SA2. A map of the event space is provided below (shown in pink).
Geography of Economic Impact Assessment
The region in which economic impacts were estimated is defined as the Newcastle LGA (see figure 1). That comprises the 18 postcodes of: Wallsend, Kotara, Merewether, Broadmeadow, Wickham, Carrington, Stockton, Islington, Tighes Hill, Waratah, Lambton, Newcastle, Newcastle West, Hamilton, Mayfield, New Lambton, Shortland and Callaghan. The Newcastle LGA boundary is shown in red in Figure 1.

Visitor
Person who normally resides outside the Newcastle LGA but who was present in the ‘event space’ over the period of the race, 24-26 November 2017.

Event 3-Day Weekend
Ordinary or non-event, 3-day weekend used for comparison purposes: 19-21 May 2017.

Non-Economic Assessment
Stakeholders
For the purposes of this assessment, stakeholders have been categorised in relation to their proximity to the race precinct. The categories are:

- Stakeholder Group 1: Businesses and residents inside of the race precinct;
- Stakeholder Group 2: Businesses and residents on the perimeter outside of the race precinct;
- Stakeholder Group 3: Businesses and residents in the greater CBD;
• Stakeholder Group 4: The broader Hunter region; and
• Stakeholder Group 5: Government and other key stakeholders.

CUMULATIVE IMPACTS OF THE ACCELERATED CIVIL WORKS AND LIGHT RAIL CONSTRUCTION

One of the challenges of assessing the impact of the 2017 event is that it occurred within the context of a period of considerable infrastructure development, specifically, the accelerated civil works and the light rail construction. This situation has two-fold implications. Firstly, it means that residents and businesses in the Newcastle CBD were exposed to cumulative impacts of the Supercars infrastructure roll out, accelerated civil works and the construction of the light rail. Secondly, it can mean that affected stakeholders attribute impacts to the Supercars event that are not necessarily related to the Supercars infrastructure roll out, or vice versa.

In order to mitigate confusion for stakeholders resulting from cumulative infrastructure construction, the HRF Centre developed a report on the impacts specific to the infrastructure roll out, as part of the ‘bump in’, event and ‘bump out’ phases. This report, which includes maps developed by Supercars showing the precinct and surrounding areas, was used to guide the in-depth interviews with affected stakeholders. The maps were to provide a geographical reference point and timeframes that could, in effect, assist in distinguishing impacts related to other infrastructure projects.

However, the in-depth interviews revealed a reasonable level of understanding of the timeframes for civil works and the bump in and bump out periods.

Though outside the scope of this evaluation, it should be noted that the impact of the civil works construction in the lead up to the 2017 event in particular was felt acutely by many businesses in the race precinct, according to our interviews. For those businesses affected by the civil works construction, the bump in and out phases and the event weekend, accessibility to patrons was often significantly negatively affected, which compounded the financial stress attributed to the construction:

“*The six months in the lead up to the event were the hardest I’ve ever had in business – mentally and financially. It came within a whisker of ruining the business and meant a loss of $300,000 last year.*”

“It made it difficult for a fair period of time before the event.”

The civil works program was also perceived to impact those residents interviewed for the evaluation, particularly with regard to access to homes and noise:

“*There was jackhammering right outside our house. It is hard to appreciate how emotionally impactful that is.*”
RESULTS AND ANALYSIS

ECONOMIC CAPITAL

Economic capital refers to the current production of valued goods and services of an economy.

RESULTS

Estimated Total Visitor Expenditure

Number of local and non-local attendees

Total Attendance

We needed to understand where people came from, based upon home locations, to attend the event on November 24th, 25th and 26th. Telstra Location Insights was employed for the Statistical Area (SA2) (the ‘event space’) as Newcastle-Cooks Hill SA2 (see Figure 1).

Telstra have provided data for two weeks to enable calculation and comparison:

- A normal week, Wednesday May 17 – Tuesday May 23.
- The event week, Wednesday November 22 – Tuesday 28 November.

Telstra’s Location Insights data provides a count of the number of unique individuals present in the Newcastle-Cooks Hill SA2 area per day during the three days of the event. While no unique individual is double counted on a single day, where the same individual attended the race for three consecutive days, they will be counted three times over the three days. Thus, the visitor numbers provided by Telstra Location Insights data are not the same as unique attendees or ticket holders (derived from ticket counts) over the entire three-day period.

For the ‘event space’ or Newcastle-Cooks Hill SA2, we looked at the three days of the event, November 24-26, 2017, and compared the figures with a normal week, May 19-21, 2017. The following uplift in individuals or crowd count has been calculated (see Table 1).

---

8 In negotiation of the Telstra Location Insights dataset, it is understood that the Client and Telstra selected May 19-21 as ‘counterfactual’ of an ‘ordinary’ three-day weekend, prior to the HRF Centre’s involvement in the impact assessment. This ‘counterfactual’ or baseline scenario allows us to conduct a comparison between what ‘actually happened’ versus what ‘would have happened’ in the absence of the Newcastle 500.
Table 1  Attendee Uplift Over the Race Week (Newcastle-Cooks Hill SA2)

<table>
<thead>
<tr>
<th></th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
<th>Tues</th>
<th>Total 3-day Weekend</th>
<th>Total: Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-26 Nov.</td>
<td>42,100</td>
<td>43,900</td>
<td>57,100</td>
<td>72,600</td>
<td>62,700</td>
<td>37,700</td>
<td>38,700</td>
<td>192,400</td>
<td>354,800</td>
</tr>
<tr>
<td>19-21 May</td>
<td>39,300</td>
<td>39,700</td>
<td>39,700</td>
<td>39,900</td>
<td>35,000</td>
<td>35,000</td>
<td>37,100</td>
<td>114,600</td>
<td>265,700</td>
</tr>
<tr>
<td>Visitor Uplift</td>
<td>2,800</td>
<td>4,200</td>
<td>17,400</td>
<td>32,700</td>
<td>27,700</td>
<td>2,700</td>
<td>1,600</td>
<td>77,800</td>
<td>89,100</td>
</tr>
</tbody>
</table>

Source: Telstra Location Insights (p.10).

The total crowd attendance over the three-day period was **192,400** people. As mentioned, this total could include a double count of an individual if they attended more than one day of the event, e.g., people who attended three successive days of the event will be counted on each of the three days for a total of ‘3 people’.

Figure 4  Population Count, Newcastle-Cooks Hill SA2

![Population Count Chart]

Source: Telstra Insights Data (p.10); HRF Centre.

Over the three days of the event, these figures represent a total ‘uplift’ of **77,800 persons** – that is **77,800 more people** in the Newcastle-Cooks Hill SA2 than would ordinarily have been present.
Over the race week as a whole, not just the three-day weekend, there was a crowd count of **354,800**; that is compared to **265,700** for the corresponding ‘ordinary’ weekend in May. Thus, over the race week, there was an uplift in population counts of **89,100**. The greatest uplift was on the Saturday (32,700) and Sunday (27,700), coinciding with peaks in race attendance. The event attracted, on average, approximately 25,900 additional people each day to the Newcastle-Cooks Hill area on the Friday, Saturday and Sunday. That is when compared to a normal Friday, Saturday and Sunday in May.

**Figure 5 Uplift in Population Counts, Newcastle-Cooks Hill SA2**

![Bar chart showing uplift in population counts]

Source: Telstra Location Insights Data P.10); HRF Centre.

**Visitor Uplift over the Event Weekend**

Following our definition of a visitor as a person ‘inside the event space over the three-day weekend who normally resides outside the Newcastle LGA’, we calculate the estimated visitor uplift over the event.

*Telstra Location Insights* data provide a count of visitors\(^9\) during the event weekend and on an ordinary three-day weekend in May. The origin of these visitors and counts for both periods (race and ordinary) are provided below. The column ‘uplift’ shows the difference between the ordinary three-day weekend counts and the race period, i.e., the additional people drawn into the Newcastle-Cooks Hill SA2 by the Newcastle 500 event, who were not residents of the Newcastle LGA\(^{10}\).

---

\(^9\) Defined as the total aggregated count, per day, of unique individuals seen in the event space during the event who ordinarily reside outside the Newcastle LGA.

\(^{10}\) There were 153,000 people who ordinarily reside outside Newcastle-Cooks Hill SA2 who were present in the event space (Newcastle-Cooks Hill SA2) over the three days of the Newcastle 500 event. This figure represents a 97 per cent
There were 82,600 people who live outside the Newcastle LGA present in Newcastle-Cooks Hill during the event. This figure compares to 30,600 visitors in an ordinary three-day weekend (Figure 3).

**Overall, we estimate that 52,000 extra people from outside the Newcastle LGA were present in the Newcastle-Cooks-Hill SA2 during the Newcastle 500 event compared to the number who would ordinarily have been present in the area.** The Telstra Location Insights data indicate (based on the postal address of the person with the phone contract) that the greatest number of extra or additional visitors were from Lake Macquarie East, Maitland and Lake Macquarie West. An extra 4,500 people were present from Queensland, 4,400 Victoria and 540 from South Australia.

---

**Note:** The increase from a ‘normal’ three days over a weekend in May, when there were 77,600 people who ordinarily reside outside the event space who were present in the event space area.
Table 2  Estimated visitor uplift associated with the event

<table>
<thead>
<tr>
<th>Origin region (LGA)</th>
<th>Nov. 24 - 26</th>
<th>May 19 - 21</th>
<th>Visitor Uplift</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Macquarie- East</td>
<td>15,100</td>
<td>7,600</td>
<td>7,500</td>
<td>100</td>
</tr>
<tr>
<td>Maitland</td>
<td>10,200</td>
<td>3,100</td>
<td>7,100</td>
<td>230</td>
</tr>
<tr>
<td>Lake Macquarie - West</td>
<td>9,100</td>
<td>2,900</td>
<td>6,200</td>
<td>210</td>
</tr>
<tr>
<td>Queensland</td>
<td>9,000</td>
<td>4,600</td>
<td>4,500</td>
<td>100</td>
</tr>
<tr>
<td>Lower Hunter</td>
<td>8,500</td>
<td>2,900</td>
<td>5,600</td>
<td>190</td>
</tr>
<tr>
<td>Port Stephens</td>
<td>8,000</td>
<td>2,900</td>
<td>5,100</td>
<td>180</td>
</tr>
<tr>
<td>Victoria</td>
<td>5,600</td>
<td>1,200</td>
<td>4,400</td>
<td>370</td>
</tr>
<tr>
<td>Wyong</td>
<td>3,500</td>
<td>1,000</td>
<td>2,500</td>
<td>250</td>
</tr>
<tr>
<td>South Australia</td>
<td>2,000</td>
<td>1,500</td>
<td>500</td>
<td>40</td>
</tr>
<tr>
<td>Gosford</td>
<td>1,900</td>
<td>500</td>
<td>1,400</td>
<td>250</td>
</tr>
<tr>
<td>Tamworth - Gunnedah</td>
<td>1,700</td>
<td>500</td>
<td>1,300</td>
<td>280</td>
</tr>
<tr>
<td>Upper Hunter</td>
<td>1,600</td>
<td>500</td>
<td>1,100</td>
<td>200</td>
</tr>
<tr>
<td>Bathurst</td>
<td>1,600</td>
<td>0</td>
<td>1,600</td>
<td>0</td>
</tr>
<tr>
<td>ACT</td>
<td>1,400</td>
<td>300</td>
<td>1,100</td>
<td>400</td>
</tr>
<tr>
<td>Sydney Inner City</td>
<td>1,300</td>
<td>600</td>
<td>600</td>
<td>100</td>
</tr>
<tr>
<td>Taree - Gloucester</td>
<td>1,200</td>
<td>300</td>
<td>900</td>
<td>300</td>
</tr>
<tr>
<td>Western Australia</td>
<td>1,000</td>
<td>200</td>
<td>800</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,600</strong></td>
<td><strong>30,600</strong></td>
<td><strong>52,000</strong></td>
<td><strong>170</strong></td>
</tr>
</tbody>
</table>

Source: Telstra Location Insights, p. 18; HRF Centre. 1Visitors residing outside the Newcastle LGA (*unique count of individuals per day). Please note these figures have been extracted manually from a hard copy graph; following advice from Telstra that raw data is unavailable. As a result estimates of the visitor uplift have been rounded to the nearest 100, and percentage change to nearest 10%.  

---

11 Telstra Location Insights data does not include counts of people whose mobile phone is registered outside Australia. For a count of international travelers we have relied on counts of international attendees provided by Supercars Australia. 312 attendees. We estimate that these international travelers spent 44,500 in total based on an average daily spend of $143 using figures of dollars spent per night by international travels to the Hunter, Destination NSW, and applying our ‘event weekend’ premium provided by STR’s ADR for accommodation in Newcastle. We have not included this calculation in the our calculations of visitor spend given that the attendee count may have been measured differently to the unique persons per day count provided by Telstra.
Visitors are defined as persons in the event space who ordinarily reside outside the Newcastle LGA.

Source: Telstra Location Insights; HRF Centre.
As noted, *Geographia Spendmapp* data do not include expenditure on accommodation that has been paid in advance. Thus, our estimate of per person expenditure data for overnight stays is drawn from data collected quarterly for the Hunter by Destination...
For the year to March 2018, the average expenditure per person for people travelling domestically and staying overnight in the region is $191 per day\(^{14}\).

An attempt was made to differentiate between domestic day-trippers and overnight stays based on location of origin. Two scenarios are modelled below using the Telstra Location Insights data, Table 3.

In **Scenario 1**, a conservative assumption is made regarding overnight stays. It is assumed that visitors from the following locations stayed overnight within the Newcastle LGA: Queensland, Victoria, South Australia, Tamworth-Gunnedah, Bathurst, Australian Capital Territory, Sydney Inner City, Taree-Gloucester and Western Australia.

In **Scenario 2**, it is assumed that people in the following locations resided overnight within the Newcastle LGA: Queensland, Victoria, South Australia, Tamworth-Gunnedah, Bathurst, Australian Capital Territory, Sydney Inner City, Taree-Gloucester, Western Australia, Wyong, Gosford and Upper Hunter. So, Scenario 2 includes Wyong, Gosford, and the Upper Hunter, and posits more overnight stays and fewer day trippers.

### Table 3 Estimated visitor uplift split between ‘day-trippers’ and ‘overnight stays’, Scenario 1 and Scenario 2.

<table>
<thead>
<tr>
<th></th>
<th>Overnight stays</th>
<th>Day-trippers</th>
<th>% Overnight stays</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario 1</strong></td>
<td>15,700</td>
<td>36,300</td>
<td>30</td>
</tr>
<tr>
<td><strong>Scenario 2</strong></td>
<td>20,600</td>
<td>31,400</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: Telstra Location Insights data; HRF Centre assumptions. Rounded nearest 100.

Using the above demarcation, two different per day per person rates of expenditure were employed - for overnight stays ($191) and day-trippers ($80)\(^{15}\). These figures are applied to our estimated numbers of day-trippers and overnight stays, for both Scenario 1 and Scenario 2. The following estimates of total spectator expenditure within the Newcastle LGA result.

The estimates differentiate between the actual dates (24-26 November) and the counterfactual/comparison dates (19-21 May). The counterfactual relates to what would have happened without the race. It thus enables calculating an estimate of the unique local injection of expenditure associated with the ‘visitor uplift’ from the Newcastle 500.

---

\(^{14}\) For those staying in hotels, motels and other forms of accommodation, an event weekend ‘premium’ is applied. This figure reflects the higher rates that accommodation providers were charging (it is based on the reported percentage increase in the Average Daily Charge Out Rate, provided by STR to CN). The split between those staying with ‘friends and relatives’ and those staying in formal accommodation is provided by data on nights stayed by ‘purpose of the visit’ reported by Destination NSW for the Hunter over the year to March 2018, [https://www.destinationnsw.com.au/wp-content/uploads/2018/08/hunter-time-series-ye-mar-18.pdf?x15361](https://www.destinationnsw.com.au/wp-content/uploads/2018/08/hunter-time-series-ye-mar-18.pdf).

\(^{15}\) We also apply the above event-weekend premium for those staying in formal overnight accommodation (hospitality and home hire) rather than with ‘friends and relatives’.
That is, it is the total spending minus the amount that would have been spent on any other weekend, without such an event.

In Scenario 1, $7.9 million extra were injected into the Newcastle LGA from the expenditure associated with the increased number of visitors. In Scenario 2, $8.9 million extra was injected.

**Table 4 Estimated visitor expenditure actual vs ‘counterfactual’, Scenario 1 and Scenario 2.**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>24-26 NOVEMBER ($)</th>
<th>19-21 MAY ($)</th>
<th>Difference ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario 1</strong></td>
<td>11,313,567</td>
<td>3,462,265</td>
<td>7,851,301</td>
</tr>
<tr>
<td><strong>Scenario 2</strong></td>
<td>12,637,595</td>
<td>3,694,102</td>
<td>8,943,493</td>
</tr>
</tbody>
</table>

Source: Telstra Location Insights data; Geografia Spendmapp; REMPLAN; HRF Centre assumptions for Scenario 1 and Scenario 2.

So, the additional visitors to the event on the race event weekend spent approximately $7.9-million to $8.9-million more than visitors are estimated to have spent on a comparable weekend without such an event. However, that is not the ‘bottom line’. We can also estimate the flow-on effects of this expenditure.

**Flow-on Impacts of Spectator Expenditure**

As outlined the Remplan Economy IO model, based on a series of simplifying assumptions, allows us to calculate economic multipliers or flow-on impacts from the direct event expenditure for the Newcastle LGA. Estimates are provided for dollar output, a measure of gross revenue or total dollars injected into the local economy. Estimates of value-added are also provided. Value-added subtracts local expenditure and expenditure on regional imports from gross output, and might be thought of as the consumer or local surplus associated with the event.
These figures suggest that of the $7.9-$8.9 million of direct expenditure associated with the visitor uplift, an additional flow-on effect in the local economy of $8.5-$9.7 million in output or gross-revenue was generated. Direct and flow-on impacts resulted in a total combined economic impact of $16-$19 million in gross output or revenue. It is estimated that between 57-65 full-time equivalent jobs were generated for the year from the direct expenditure alone, and an additional 27-31 jobs from the flow-on benefits to the Newcastle LGA.

In terms of value-add (accounted for imports and local expenditure) between $4-$4.8 million is directly injected in the local economy, resulting in $4-5 million in flow-on benefits, and a total combined value-add of between $8.5-$9.7 million.

---

**Table 5** Direct and Flow-on Impacts of the Supercars Event, Visitor Expenditure (Scenario 1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output ($M)</td>
<td>$7.851</td>
<td>$3.639</td>
<td>$4.882</td>
<td>$8.521</td>
<td>$16.372</td>
</tr>
<tr>
<td>Employment (Jobs)</td>
<td>57</td>
<td>10</td>
<td>17</td>
<td>27</td>
<td>84</td>
</tr>
<tr>
<td>Wages and Salaries ($M)</td>
<td>$2.690</td>
<td>$0.895</td>
<td>$1.167</td>
<td>$2.062</td>
<td>$4.752</td>
</tr>
<tr>
<td>Value-Added ($M)</td>
<td>$4.168</td>
<td>$1.636</td>
<td>$2.737</td>
<td>$4.373</td>
<td>$8.541</td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN Economy.

**Table 6** Direct and Flow-on Impacts of the Supercars Event, Visitor Expenditure (Scenario 2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output ($M)</td>
<td>$8.944</td>
<td>$4.145</td>
<td>$5.562</td>
<td>$9.707</td>
<td>$18.650</td>
</tr>
<tr>
<td>Employment (Jobs FTE)</td>
<td>65</td>
<td>12</td>
<td>19</td>
<td>31</td>
<td>96</td>
</tr>
<tr>
<td>Wages and Salaries ($M)</td>
<td>$3.065</td>
<td>$1.019</td>
<td>$1.329</td>
<td>$2.348</td>
<td>$5.413</td>
</tr>
<tr>
<td>Value-Added ($M)</td>
<td>$4.748</td>
<td>$1.864</td>
<td>$3.118</td>
<td>$4.982</td>
<td>$9.729</td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN Economy.

---

**Note:**

16 *Output data* represent the gross revenue generated by businesses and organisations in each of the industry sectors in a defined region. Output Impacts allows the modelling of the flow-on economic impacts from an actual or hypothetical direct change to the local economy. (REPLAN ECONOMY, 2018).

*Value-Added data* represent the marginal economic value that is added by each industry sector in a defined region. Value-added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-Added by industry sector is the major element in the calculation of Gross Regional Product (GRP) / Gross State Product (GSP) / Gross Domestic Product (GDP) (REPLAN ECONOMY, 2018).
Bump-in, race and bump-out expenditure and expenditure over the race weekend.

CN data sourced from Integrated Engineering Design Management (IEDM) has been provided to determine the level of local expenditure by Supercars Australia during the bump-in, race period and bump-out phases. The direct injection of expenditure to local contractors and suppliers was estimated to be $5M in gross revenue, with and additional $6.5M in flow-on benefits.

The total impact of infrastructure spend and other works associated with the bump-in, race event and bump-out was $11.5M in output or gross revenue.

Estimates are provided below.

Table 7 Direct and Flow-on Impacts of the Supercars Australia Local Spend

<table>
<thead>
<tr>
<th>Impact</th>
<th>Direct Effect</th>
<th>Supply-Chain Flow On Effect</th>
<th>Consumption Flow On Effect</th>
<th>Total Flow-On</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output ($M)</td>
<td>$4.971</td>
<td>$4.159</td>
<td>$2.339</td>
<td>$6.498</td>
<td>$11.470</td>
</tr>
<tr>
<td>Employment (Jobs)</td>
<td>9</td>
<td>11</td>
<td>8</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>Wages and Salaries ($M)</td>
<td>$0.805</td>
<td>$0.912</td>
<td>$0.559</td>
<td>$1.471</td>
<td>$2.277</td>
</tr>
<tr>
<td>Value-Added ($M)</td>
<td>$1.559</td>
<td>$1.573</td>
<td>$1.311</td>
<td>$2.884</td>
<td>$4.443</td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN.

Combining these calculations suggests that total economic impacts (direct and flow-on) for the Newcastle LGA from hosting the Newcastle 500 in 2017 are approximately $27.8M-$30.1M in gross revenue or output (based on Scenario 2), and total value add is $13-$14.2M.

Table 8 Summary of Economic Impacts – Scenario 1

<table>
<thead>
<tr>
<th>Impact</th>
<th>Output ($M)</th>
<th>Value-Add ($M)</th>
<th>Employment (FTE for 1 Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct expenditure by additional visitors¹</td>
<td>$7.9</td>
<td>$4.2</td>
<td>57</td>
</tr>
<tr>
<td>Flow-on effects in the economy of visitor expenditure</td>
<td>$8.5</td>
<td>$4.4</td>
<td>27</td>
</tr>
<tr>
<td>Direct local expenditure by Supercars Australia</td>
<td>$4.97</td>
<td>$1.56</td>
<td>9</td>
</tr>
<tr>
<td>Flow-on effects of Supercars Australia’s local spending</td>
<td>$6.50</td>
<td>$2.88</td>
<td>19</td>
</tr>
<tr>
<td>Total estimated economic effect</td>
<td>$27.8M</td>
<td>$13M</td>
<td>112</td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN. ¹ Based on Scenario 2 estimation of day-trippers and overnight stays.

¹ IEDM have advised that the value of 2018 contractual agreements related to the Newcastle 500 bump-in, race and bump-out period is $8.5 million. Of this value IEDM have advised an estimated 60% is awarded to local contractors and suppliers. In making this estimate it should be noted that in many cases individual working arrangements are not dictated by the lead contractor and are left up to the sub-contractor in their preferred delivery method for the scope of works. The 2018 figure is deemed to provide a more accurate estimation of dollars spent in the bump in/out phase than 2017 as it removes any difficulty of separating the civil works, which preceded the bump-in in that year. The 2018 figures have been deflated to 2017 dollars using the ABS 6427.0 Producer Price Indexes, Australia, Table 17 - Non-Residential Building Construction Price Index for NSW.
Table 9 Summary of Economic Impacts – Scenario 2

<table>
<thead>
<tr>
<th>Impact</th>
<th>Output ($M)</th>
<th>Value-Add ($M)</th>
<th>Employment (FTE for 1 Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct expenditure by additional visitors¹</td>
<td>$8.94</td>
<td>$4.75</td>
<td>65</td>
</tr>
<tr>
<td>Flow-on effects in the economy of visitor expenditure</td>
<td>$9.71</td>
<td>$4.98</td>
<td>31</td>
</tr>
<tr>
<td>Direct local expenditure by Supercars Australia</td>
<td>$4.97</td>
<td>$1.56</td>
<td>9</td>
</tr>
<tr>
<td>Flow-on effects of Supercars Australia’s local spending</td>
<td>$6.50</td>
<td>$2.88</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total estimated economic effect</strong></td>
<td><strong>$30.1M</strong></td>
<td><strong>$14.2M</strong></td>
<td><strong>124</strong></td>
</tr>
</tbody>
</table>

Source: HRF Centre; REMPLAN. ¹ Based on Scenario 2 estimation of day-trippers and overnight stays.

Other Evidence of Business Impacts

The Newcastle East Residents Group (NERG) commissioned MAP Marketing¹⁸ to undertake a survey of Newcastle businesses regarding the impact of the Newcastle 500 on local traders. Two groups of businesses were surveyed - those inside the track (n=112) and those outside the track (n=131). Both groups were asked about their concerns and the economic impact of the event over four periods: a) the construction period; b) the bump-in period; c) each day of the event itself; and d) the bump-out period and clean-up.

For the periods that we analyse in this report, the percentage of trackside businesses reported to have experienced a downturn were as follows:

- Bump-in (56%)
- Friday 24 (54%), Saturday 25 (35%), Sunday 26 (30%)
- Bump-out (46%).

The MAP marketing survey indicates that the majority of cafes/restaurants/kiosks trackside had a significant downturn during construction (87%), bump-in (87%) and bump-out (73%). These percentages are not the degree of downturn; they are rather the proportion of businesses reporting a downturn.

For those businesses outside the race precinct, the percentage who reported experiencing downturns at each stage were greater:

- Bump-in (71%)
- Friday 24 (77%), Saturday 25 (70%), Sunday 26 (60%)
- Bump-out (50%).

Our analysis deals with some issues of crowding out\(^{19}\) - which the MAP Marketing report defines as “lost opportunity costs resulting from the ‘Go away. Stay away’ effect of major events”. We address crowding out by focusing just on the ‘uplift’ in visitor population. Our calculations do not assume that a visitor population would not normally have been in the city, and the race precinct in particularly. Our analysis takes into account that these normal visitors may have been displaced, e.g., to avoid race activities, and been replaced by visitors for the Newcastle 500 event.

We have not empirically considered the impact of the displacement of the normal resident population. That is, if residents left town for the weekend or decided not to shop in town, their spending would not occur locally on that weekend, as it might have otherwise. We are seeking in this section to estimate LGA-wide impacts, and this effect is a complicated figure to determine. Some residents might have done their weekly shopping earlier or later, for example, but in the same district. Alternatively, they may have spent money elsewhere in the LGA or beyond. Custom data from a major bank, on expenditure at merchant terminals within the Newcastle LGA, is showing a jump of 5.8 per cent in total transaction value during the event week compared to the average for the 4 weeks prior\(^{20}\). This figure potentially confirms that while resident spending may well have have dipped in the Newcastle CBD over the event weekend, across the whole Newcastle LGA, spending did not decrease in aggregate over the week.

A range of business impacts are detailed in the non-economic assessment, and their results follow. The MAP Marketing analysis suggests that the economic benefits of the additional visitor spend may not have been evenly distributed across the CBD. Additionally, the results of the MAP Marketing survey indicate that a number of CBD businesses track-side and outside the race precinct may actually have experienced revenue losses over the three-day weekend. It was noted that business benefits or losses might depend on location, type of business and industry sector. A potentially uneven spread of benefits and/or losses across individual business types should be kept in mind when looking at the overall figures for economic revenue generated, which we described above.

**Assumptions and limitations**

- This analysis is an impact assessment rather than a Cost Benefit Analysis (CBA). NSW Treasury (2017) define a CBA as “an appraisal and evaluation technique that estimates the economic, social and environmental costs and benefits of a project or program in monetary terms”\(^{21}\). As such, this analysis does not include the main

\(^{19}\)The report also refers to concepts of a donught effect; “problems of access, lengthy construction periods, regular customers being deterred by crowds, businesses being bypassed by foot traffic, poor event management and misinformation” p. 10., leakage from expenditure directly incurring to Supercars Australia and that profits may have been unevenly distributed. We have attempted to exclude revenue which might have accrued to Supercars Australia in using Geographia Spendmap data. Concepts raised align with issues explored in the non-economic assessment of this report.

\(^{20}\)The major bank whose data we used have less than 20 per cent of the national share of merchants.

\(^{21}\)NSW Government Guide to Cost-Benefit Analysis, March 2017 TPP 17-03, Policy and Guidelines Paper, NSW Government. The aim of a CBA is to measure the full impacts of any government decision or action on the households and firms in a specified community. The full impacts include any impacts on human welfare.
financial cost of the *Newcastle 500*, which are its operating costs; nor does it seek
to translate the non-economic impacts (natural, human, manufactured and social
capitals) identified in this report into monetised costs and benefits. We do not
provide a *Benefit-Cost-Ratio* or BCR.

- The economic analysis does not include the costs or benefits of the civil works
  period, which preceded the *Newcastle 500*.

- It is assumed that the uplift in visitors over the 24-26 November, relative to the
  19-21 May ‘counterfactual’ or baseline scenario, is solely attributable to the
  *Newcastle 500* event. We are also assuming that the 19-21 May is an appropriate
  ‘counterfactual’ or comparator for the event weekend, in the absence of the race.
  These dates were determined by CN in negotiation with Telstra prior to HRF
  Centre’s involvement in the impact assessment.

- Promoter and media expenditure made locally by Supercars Australia (promoter
  of the event) has not been included. Race team, management team and other
  competitor expenditures that did not occur over the three-day weekend, or were
  in addition to estimates of usual visitor spend, have been excluded.

- Telstra *Location Insights* data does not allow us to ascertain ‘visitor uplift’ prior to
  or after the three-day event. So, we cannot ascertain the origin of the crowd
  counts. Telstra data (Table 1) do allow us to assess that there were an extra
  11,300 people in the event space over the week of the event; that is additional to
  the uplift during the three-day event itself. So, it is likely some race attendees
  stayed an extra few days. As we do not know the origin of these extra people
  (these data were not provided by Telstra), and therefore whether they have come
  from outside the Newcastle LGA, we cannot know if they are ‘visitors’ under our
  definition. It is very likely that the event would have generated extra expenditure
  (and flow-on impacts) prior to and after the three-day race period, for example
  amongst those travelling from interstate and staying within the region for an
  extended period.

- Telstra *Location Insights* data also did not track the movements of unique
  individuals continuously over the event period. So, we cannot know definitively if
  a person residing outside the Newcastle LGA stayed within the Newcastle LGA
  overnight. That is, we cannot tell how many non-local mobile phones stayed in the
  precinct overnight. Although we can see that there were more people present on
  the Thursday and Monday pre and post the race, we do not know their place of
  origin and so whether they were a ‘visitor’. We have made assumptions about
  overnight accommodation for persons travelling more than two hours (Scenario 1)
  and an hour or hour and a half (Scenario 2) to the event space.

- We have not empirically modeled the economic impact of the possible
  displacement of usual residents and their expenditure (documented by MAP
  marketing) from the Newcastle CBD during the *Newcastle 500* event.
• Crowd counts from Telstra *Location Insights* data and per day per person expenditure data provided by *Geografia Spendmapp* are drawn from samples of the visitor population present over the three-day weekend. Although both have been weighted to population values by Telstra and Geografia respectively, they are subject to sampling error.

• A number of simplifying assumptions are incorporated in the IO REMPLAN Economy model used to calculate flow-on impacts. These include an assumption that Newcastle LGA’s performance matches national and state average performance, that local firms exhibit constant returns to scale, there is no change in technology and no supply constraints. IO models are ‘static’ models and are not designed to predict changes occurring over-time where we cannot reasonably assume that other factors remain constant.

**NATURAL CAPITAL**

Natural Capital refers to the environment and natural resources of a location, such as beaches, rivers. Lakes, forests, parks, as well as sunlight, rainfall, soils and minerals beneath the ground. Natural capital includes plants and animals living in, or passing through, the location.

The key focus when assessing the impact of the event on the natural capital of the Newcastle LGA is to understand any significant changes to the natural environment as a result of the event. Those changes would include any impacts that required attention or clean up. We also need to assess whether these impacts were short or long term.

Induced tourism impacts have also been included under natural capital, as the promotion of Newcastle and the Hunter’s natural and physical assets and the flow-on effect of increased tourism and business investment were envisaged as key benefits of hosting the event.

In addition, impacts to amenity for residents and businesses have been counted. They would have been evident through changes to the natural and built environment as a result of the event. These ‘changes’ would include noise and access. Safety and impacts to human health will also be considered under natural capital.
Changes to the natural environment

The key changes to the natural environment as a result of the event were:

- Tree removal associated with the construction phase, both needed civil works and construction to suit the event;
- Rubbish and pollution resulting from the event weekend; and
- Damage to parks and grass.

Tree removal

According to CN, the total number of trees removed in the foreshore precinct as a direct result of the Supercars event was 97. The removal of these trees undoubtedly would have had an impact on changing the landscape and visual appeal of this area, particularly given that they were mature trees. However, CN has plans to replace these trees by replanting 118 clear stemmed (shade) trees and 100 shrubs over three years.\(^{22}\)

Regardless of extensive communications undertaken during 2017, CN should continue to communicate to resident and business operators that further trees will be planted, as one stakeholder and one resident were under the impression that no more trees would be planted: “They haven’t replaced enough”.

Rubbish and pollution from the event weekend

Rubbish and debris (e.g., cigarette butts, cable ties) left behind after the event weekend were a source of concern expressed in a submissions made to Council. While a level of rubbish and debris presence is to be expected after such a large event, the clean-up of some kinds of debris appeared to take more time than expected. For example, it appears that, in the removal of fencing, removal crews left on the ground the cable ties that they cut to remove signs.

In the response to a submission, CN noted receiving complaints about rubbish that was perceived by some residents to be related to the Supercars event. This complaint and response led to contracting of a cleaner between the 12th and 14th of January 2018 to further collect rubbish and debris in the precinct.

The presence of race-related debris and delays in clean up were confirmed by a resident interviewed for the evaluation who noted that there was rubbish (plastic ties, cigarette butts) both inside and outside of the race precinct for weeks after the event:

“Newcastle East looked dreadful for weeks [after the event].”

Another of the interviewees did however note that Supercars staff were efficient in cleaning up rubbish and emptying rubbish bins during the event weekend.

“Staff were emptying bins here all the time.”

\(^{22}\) City of Newcastle response to Newcastle East Resident Group (NERG) submission.
**Damage to parks and grass**
During one of the interviews, it was noted that tents had been placed on grass around Newcastle Beach as part of the catering of the Supercars VIP event. The grass had been damaged and had not yet grown back or been regenerated by Council.

**Induced tourism**
The Newcastle 500 Supercars event offered a unique opportunity to showcase Newcastle and the Hunter region to new audiences. While it is difficult to measure the exact impact in terms of induced tourism, CN conducted media monitoring (including social media) that is detailed in the ‘Newcastle 500 Coverage Report’. The following provides a summary of the main findings of the report:

- There were 267 items relevant to the event featured in mainstream media between November 20 to 27 that reached an estimated audience of 8,641,042 people.
- The breakdown of items by media type is as follows:
  - AM radio – 53
  - FM radio – 22
  - Newspaper – 91
  - Online news – 76
  - Social network – 14
  - Television – 11.

- The Supercars’ social media following grew by 1,350, including 1,000 new followers to CN’s Facebook page.

- Supercars Facebook posts reached 630,000 users. The majority (over 80%) of comments made were positive in nature. In addition, between the 20th and the 27th of November, there had been 21,777 likes, comments and shares.

- CN’s Facebook page had 287,000 total views during the week of the Supercars event (that is up by a factor of more than 5 compared to the 48,000 views for the week prior).

- With regard to Twitter, there were 85,100 total views of Supercars tweets between 20th and the 27th of November, and 1,203 retweets and likes.

- With regard to Instagram, there were 185 new fans of Supercars’ Instagram account, and a total of 29,756 views between 20th to 27th November. There were also 3,216 likes and comments, again, up by a factor of more than 5 compared to 568 in the week prior.
Many of those interviewed noted that they felt that the event promoted Newcastle very effectively, particularly the aerial photography of the race that featured the iconic beaches:

“It showcased Newcastle and as an event. It was fantastic.”

“Newcastle looked brilliant. The camera angles were amazing. It showed that Newcastle is a great place to visit.”

“It has put Newcastle on the map. People who hadn’t visited Newcastle before couldn’t believe how fabulous it is.”

“Anything that puts Newcastle on the map, I am all for.”

“It was a beautiful day to advertise Newcastle – the sun was out. The sky was as blue as. The ocean was clean as.”

“It [the event] was amazing for the city. National exposure. And a good, but smaller global reach.”

One stakeholder noted that the exposure of Newcastle to a national and global audience was a major benefit of the event, and expressed pride in the part their staff played in promoting Newcastle and the Hunter region:

“We had a real sense of pride that we did a good job in providing a taste of Newcastle and the Hunter [region] to visitors. We celebrated as a team afterwards.”

Anecdotally, it was noted that travel agents were selling a greater number of ticket and accommodation packages for the 2018 event.

This same stakeholder also noted that having access to the images and footage shot during the 2017 event would continue to be beneficial in promoting tourism to Newcastle and the Hunter for the future. Indeed, this stakeholder has already utilised one such image as part of promotional material.

“For some people, for example, travel agents that we have spoken to in New Zealand, still think of Newcastle as a coal town. We need to break that mentality – it needs to change.”

The media exposure of the event is likely to have an impact in promoting the 2018 event. It is also likely that this promotion may have a positive flow-on effect on tourism to Newcastle and the Hunter region. Indeed, research suggests that one-fifth of leisure travellers worldwide turn to social media platforms for inspiration across a range of different travel planning categories, including travel destination. The impact of the event

---

on tourism to the Hunter region and Newcastle in the short and long term may make for a worthwhile study as part of future event evaluations.

**Impacts to amenity**

The major impacts to amenity were:
- Impaired accessibility to residences and businesses
- Noise
- Visual

These impacts to amenity are explored in more detail in the following section.

**Accessibility impacts**

**‘Bump in’ period**

The ‘Bump in’ phase refers to the period between October 16 and 7am on the 24th November 2017 (event weekend). This period is when the Newcastle 500 race track and associated infrastructure were installed by Supercars Australia and their contractors.

The ‘Bump-in’ necessitated the installation of physical infrastructure, such as the pit building, grandstands, bridges, barriers and fencing within the race precinct. Installation began with areas furthest away from residential and business areas. It was staged to allow access for residents and businesses up until the start of the event on 24 November.

The roads involved in the race circuit itself were one-way from Monday on the 20th of November until 7pm on Sunday the 26th of November. That meant that ordinary two-way flow of traffic for the following streets was affected - Watt St, Shortland Esp, Zaara St, Scott St, Nobbys Rd, Horseshoe Beach Rd and Wharf Rd. In addition, the normal flow of traffic of six further streets inside the race circuit was affected during this period. These roads included part of King St, part of Hunter St, Pacific St, Telford St, Scott St and Bond St.

The track barriers and debris fencing was progressively installed from October 16th until Friday the 23rd of November as follows:

- Wharf Rd – October 16 to 21
- Shortland Esplanade – October 23 to 28
- Zaara St, southern sides of Scott Street and Parnell Pl, northern end of Watt St, part of Nobbys Rd (closest to Nobbys Beach), south side of Wharf Rd (north west of Foreshore Park) - October 30 to November 4
- Watt St (Church St to Scott St) – November 6 to 11
- Northern sides of Scott St and Parnell Pl, remainder of Nobbys Rd – November 13 to 18
- All remaining gates and barriers – November 20 to 23

---

24 2017 Coates Hire Newcastle 500 Temporary Infrastructure Guide – Supercars Australia
The installation of the track barriers and debris fences is likely to have had a considerable impact on residences and businesses. These restricted access to businesses and properties and contributed to road closures and restricted parking over a period of a week for each street. The diagram below details the infrastructure roll out by date.

Figure 9 Infrastructure Roll-Out by Date

(Map taken from Supercars Temporary Infrastructure Guide)

The Supercars Temporary Infrastructure Guide states that residents and businesses were to have access to driveways until 7am on November 24th through installed gates that were able to be opened at any time by residents and businesses. Feedback recorded below suggested this was not the case in practise.

CN have documented a number of road changes that occurred as a result of the ‘bump in’ phase. These changes occurred between 16th October and 18th November 2017. They affected the following roads - Nobbys Rd, Wharf St, Horseshoe Beach Rd, Watt St, Church St, Shortland Esplanade, Zaara St, Parnell Pl, and Scott St.

The term ‘closures’ refers to a number of traffic control settings implemented to suit the requirements of the infrastructure build. It does not necessary refer to a full road closure; it allows for flexibility for the installation of safety controls and barriers. These changes typically lasted for three days for each road, and they were staggered over a period of six weeks. The exception was with regard to Scott St, Parnell Pl and Nobbys Rd. These changes occurred over a period of six days from the 13th to the 18th of November 2017\textsuperscript{25}.

\textsuperscript{25} Master Construction Program – City of Newcastle
It is worth noting that Shortland Esplanade was maintained under full closure for the Council construction works up to two weeks prior to the event. This closure allowed the installation of race infrastructure. Combining this closure for general civil works, Shortland Esplanade was effectively closed to traffic from February 2017 until the event.

One interviewee spoke about the difficulties in accessing their place of work during the bump in period due to the unpredictability of the works:

“All time you came in [to the Newcastle CBD], you didn’t know how you would get in.”

Parking disturbances were also noted:

“Parking was a bit of an issue. Public transport is really not there for late night workers.”

A number of interviewees noted that the process would likely improve for 2018 as Supercars would become more efficient:

“This year will be better.”

The event weekend
The event weekend refers to the period between 7am on Friday November 24th and 7pm on Sunday November 26th 2017. During the event weekend, closure of the roads on the race circuit occurred (between the hours of 7am and 7pm). These closures included Watt St, Shortland Esp, Zaara St, Scott St, Nobbys Rd, Horseshoe Beach Rd and Wharf Rd. In addition, access to an additional six streets inside the race circuit was effectively cut off during these times. This closure includes part of King St, part of Hunter St, Pacific St, Telford St, Scott St and Bond St.

Residents and business operators were required to apply for accreditation to ensure access to the precinct of their home or business during the event weekend. Gaining accreditation was an online process. It allowed passes for residents, staff, and visitors (clients with scheduled appointments). There were also after-hours (service providers) passes for businesses. Each residence within the precinct was provided with two passes, plus an additional two passes for each bedroom. The accreditation process commenced in October and was open until Friday 24th November 2018.

Each approved accreditation application included the option for Vehicle Access Passes. The parking options for residents during the event weekend were as follows:

- Commercial parking structures – residents could apply for a parking pass to one of these structures. Shuttle buses were available to these structures during the event;
- Shortland Esplanade and Fort Drive – On street parking on these roads was reserved for residents; however, vehicles could not be moved between 7am and 7pm;
- On-street parking – Most on-street parking was maintained in the resident-only zone, although vehicles could not be moved between 7am and 7pm; and
- Off-street parking – Off-street parking could be utilised by residents with prior access, although vehicles could not be moved between 7am and 7pm.

Residents were informed that the race circuit (and therefore affected roads) would be closed at 7am. A submission from the Newcastle East Residents Group (NERG), acknowledged by Supercars, indicated that the close down procedure occurred earlier than the 7am anticipated (6.30am or earlier). It should be noted that residents were allowed access up until 7am upon request, despite the close down procedure occurring earlier. However, it is not known the extent to which, or means by which, this option was communicated to residents and business operators.

Access by accredited residents and business operators to their residential premises/businesses was made available through all precinct access gates. There was also a resident-only access point. That was located at the eastern end of Scott St, and it provided access to one of the resident-only precincts located outside the gate. This gate also enabled resident access to Newcastle Baths and the beaches.

However, data collected from submissions suggests that more resident-only access points were required, as many resident pedestrians faced lengthy delays as they were required to line up behind race patrons. Data collected through our in-depth interviews indicated that pedestrian delays were more pronounced and difficult for those residents with disabilities.

In addition, there were five resident-only areas, where access was restricted to accredited persons only. These areas included:

- A section on the north side corner of Scott and Telford St;
- The majority of land to the south of Foreshore Park with boundaries of Telford St, Scott St, Parnell Rd and Nobbys Rd up to Colliers Cl;
- The south side of the corner of Zaara and Scott St;
- An area from the eastern end of Scott St to Shortland Esp that included Parnell Pl, Murray Ave, Beach St and some of Fort Dr; and
- The area directly surrounded by Telford St, Shortland Esp, Zaara St and Scott St.

An important issue that was raised in the interviews was the accessibility of businesses, including restaurants, bars and cafes, outside the race precinct. The operators of these businesses noted an interest in attracting Supercars patrons when they were entering or exiting the race precinct. Those interviewed noted, specifically, that the bus network and signage funneled patrons along Wharf road and away from the CBD and Honeysuckle precincts. These operators suggested that this routing had a negative effect on patronage of these businesses.

Also, it was noted by a number of business operators that trade was affected the week before the event, due to accessibility impacts and parking restrictions from the bump in periods. That was particularly damaging for some businesses that are usually hosting a

---

26 NERG submission to the City of Newcastle
27 Supercars Australia – 2017 Coates Hire Newcastle 500 - Resident Accreditation Guide
large number of Christmas parties and events that week and weekend. This disturbance was characterized as being particularly damaging to trade.

“It falls right in the absolute middle of the Christmas party season. 
So for us, that is a big loss.”

A few interviewees also noted that the Supercars patrons appeared disinterested in patronising businesses near to, but outside, the precinct before or after the event:

“I spent significant capital increasing the licensed area and seating beyond our boundaries and received minimal to nil benefit. 
The minute people left the track – the lock-in lock-out zone - they were getting out of town – their day was done. 
There was no customer attention or flow-on effect. 
I would imagine that Supercars knew that, and that it is a common occurrence at their events.”

“They [patrons] have this mentality that they want to get inside the precinct as quickly as possible so that they can get a good seat. 
Then, after that, they will get something to eat or drink.”

One interviewee who owns a business outside the race precinct noted that - due to the change in traffic conditions and parking - 80 patrons cancelled dinner reservations.

It was noted that this fallout could have been aided by greater communication in the lead up to the event. That would have been particularly regarding road closures, shuttle buses, drop off points and transit routes.

“Information was begrudging to get. Maybe, they didn’t know themselves.”

Timely communication strategies to business operators regarding accessibility and parking will aid in maximising business opportunities during the event, and avoid duplication of services.

A number of interviewees noted that for those immediately outside the race precinct, there was increased accessibility in terms of less traffic and greater availability of parking than on a usual weekend.

“It usually takes me 10-15 minutes to get to work, but on that weekend it took me half the time.”

Feedback about the public transport system, specifically bus services, was also encouraging:

“The public transport was nothing short of phenomenal.”

“The public transport was the best ever seen in the city.”
One patron that was interviewed for the evaluation also noted that the trains were also well patronised.

“I got the train [to the event] that was absolutely packed to the walls with excited fans.”

**Bump out period**

The ‘bump out’ phase refers to the period from the end of the racing itself (7pm November 26th 2017) to Friday 22nd December 2017. The bump out phase covers the deconstruction of the race track and accompanying infrastructure.

Infrastructure closest to businesses and residences (fencing, gates etc) was prioritised for removal. That means that A, B, and C were removed first, then D, E, and F.

There were several road changes that occurred from 28th November 2017 to 22nd December 2017. These changes included - Wharf Rd, Horseshoe Beach Rd, Watt St, Zaara St, Shortland Esplanade, Scott St, Parnell Pl, Nobbys Rd and Church St.

Changes typically lasted two to three days and were staggered over a four-week period in order to minimize traffic congestion. The exception to this pattern was Wharf Rd between Horseshoe Beach Rd to Watts St. It was closed for five days from 28th November to 2nd December 2017 and for seven days from 11th December to the 18th December 2017.

Perceptions of the efficiency of the bump-out period varied. That is likely influenced by the location of the interviewee’s home or business and the extent to which the bump-out activities may have been seen as a negative impact:

“It [bump out] took a bit longer than expected.”

versus

“Pretty quick to get rid of stuff.”

**Implications of accessibility impacts**

Significant implications were reported in relation to the accessibility impacts of the event’s weekend and bump-in and bump-out phases for businesses and residents located within and just outside of the race precinct. The event weekend in particular had a profound impact on the way that residents moved around the suburb and CBD. Access to personal vehicles and pedestrian access to homes changed considerably. Accessibility was far more difficult than on a usual weekend.

The CN has already considered a range of options that may improve this situation for 2018. These options include multiple resident-only access points, compared to the lone resident-only access point for the 2017 event.

---

28 Master Deconstruction Program - NCC
Other impacts to amenity

Noise
A noise management plan for the Newcastle 500 event was released by Supercars Australia on 11 September 2017. For this plan, modelling for external areas indicated that noise levels may exceed the LAeq (10 hour) 84dB criterion outside buildings directly facing the race circuit. These noise levels were also foreseen as possible within other public areas, such as footpaths, parks, outdoor seating areas and balconies that have direct exposure to the circuit. Buildings within this affected zone were located along the following streets:

- Watt Street
- Shortland Esplanade
- Zaara Street
- Scott Street
- Parnell Place / Nobbys Road.

Temporary noise barriers (two metres in height) were installed on all of the above streets (except Nobbys Rd) to reduce noise impacts.

The noise-level assessment by Supercars Australia details an expectation that noise limits may be exceeded outside 11 dwellings and both externally and internally for 31 dwellings.

Over 150 properties were door knocked by Supercars and residents were provided with information (such as noise management fact sheets) regarding the expected noise and noise mitigation measures by Supercars. In addition, over 800 survey packs were distributed by Supercars to residents in areas where noise modelling predicted ‘exceedances’. A noise management fact sheet was distributed to all businesses and residents in Newcastle East.

Around 200 completed surveys were assessed by a medical team before the event. Supercars staff, with the support of community service providers or medical advisers, identified those individuals, who for medical or other special needs required additional assistance during the event. A contracted medical team facilitated the relocation of 21 households, with expenses covered by Supercars Australia.

Noise monitoring was conducted during the event by NOVECOM, a Newcastle-based environmental monitoring and data management organisation. A live web feed was also provided.

A copy of the noise assessment report was not made available to the HRF Centre for reasons of commercial in confidence. Supercars Australia did provide this statement about the report:

29 Supercars – Community and Stakeholder Outcomes Report – April to December
We can confirm, however, that the monitoring conducted at the 2017 event showed that the modelling was very accurate, and we did not see any significant difference between the modelling data and the actual monitoring data.

One resident interviewed stated that the noise of the event was a major impact for residents. This individual explained that some spectators removed the sound mitigation measures – a sound-absorbing panel hung from the chain link fence around the circuit - in order to view the race more effectively. The resident suggested that the sound barriers should be more closely monitored so that they are not removed during future events. This person also noted that the hearing protection offered by Supercars was seen by others to be of poor quality.

Visual
As noted in the accessibility impacts section, barriers and debris fencing were installed progressively from 16 October 2017. The full height of the fencing was 3.5 metres. This fencing was placed in front of residences with direct frontage and anywhere where viewing was controlled (e.g., on the western side of Watt St). These barriers were additionally covered with hoarding or noise attenuation barriers.

In addition, two-metre high noise barriers were installed at the following locations as part of noise reduction strategies:

- Watt Street, western side, King Street to Church Street
- Shortland Esplanade, northern side, Watt Street
- Zaara Street, western side, Shortland Esplanade to Scott Street
- Scott Street, both sides, Zaara Street to Parnell Place
- Parnell Place, western side, Scott Street to Alfred Street.

The visual impact of fencing was not raised in the in-depth interviewees. Conversely, a number of interviewees talked positively about the visual impact of the aerial photography of the event, and the positive flow-on effects of this. These impacts are explored more under social capital.

SUMMARY OF IMPACTS TO NATURAL CAPITAL

The impact to natural capital has been summarised in the table below. Due to the acute accessibility impacts, noise impacts and concerns about rubbish associated with the event, residents and businesses in and just outside the perimeter of the race precinct have experienced the most negative impacts to natural capital.

The broader Hunter region and government and other stakeholders were less impacted by environmental and amenity impacts, and may be more likely to benefit from the induced tourism and business investment that may result from the promotion of Newcastle as part of the 2017 event.
HUMAN CAPITAL

Human capital refers to the skills, knowledge and experience possessed by an individual or population. When assessing the impact of the event on human capital, the focus is upon the knowledge and skills transference to the local businesses and residents (in the Newcastle LGA) as a result of the event. This analysis includes:

- Upskilling of local residents through employment and volunteering;
- Upskilling of local business owners; and
- CN and other staff from government organisations exposure to event management.

Upskilling of local residents

According to Supercars, the following number of tickets were allocated to residents of the Hunter region who were to be employed at the event:

- Supercars staff - 4
- Officials - 347
- Contractors - 477
- Food vendors - 890
- Merchandisers – 214.

Therefore, the total number of allocated tickets to residents from the Hunter who may have been directly employed or contracted during the event was 1,932. The actual figure of employees from the region is unknown.

In addition, data from Supercars Australia indicates that over 15,000 hours of local labour was used by the GEMA Group (a catering and events management company contracted by Supercars Australia) for the event. That is the equivalent to 375 individuals employed full-time for a week.

One of the interviewees had interacted during the event with GEMA staff and noted that the GEMA group had recruited a majority of Newcastle-based staff ("local kids"). This outcome was viewed positively.

The number of retail (food and beverage) outlets at the event totaled 31. A figure of 70% (22) of these retailers were Newcastle-based businesses.  

---

30 Supercars Australia
Local employment occurred as part of the 2017 event across a range of employment types, including officials, contractors, food vendors, merchandisers and catering staff. The benefit of this employment has been highlighted in the economic capital section.

The event also ‘employed’ 744 volunteers.

To the extent that these volunteers and others employed for the event gained new skills – which is an open question, one can see additional benefits in terms of human capital. The uptake of new skills and knowledge was evident in the interviews of business operators, who learned about handling large events, collaborative opportunities. One would imagine that certain similar lessons were gained by the employees discussed in this section. Again, though, it would take additional effort to characterize the nature and extent of such benefits.

Upskilling of local business operators
One would expect that local business operators learned something about how to handle a large, weekend event, as alluded to just above. Those lessons would have been in terms of volume of stock to have on hand, number of staff, when to expect trade, how to find out information about the event and access to their premises. The research did indicate some examples of business operators learning from the 2017 event, particularly for one key stakeholder who engaged in a range of marketing and communication activities including development of brochures, retail discount offers and featuring Supercars promotional material in-house. This stakeholder also implemented a strategy designed to manage large crowds (such as communication with taxis and vehicle hire companies, increased security), and this strategy has been successfully implemented during other peak events.

Other examples of upskilling during the event, included:

- Two business operators collaborated to create a ‘pop-up’ fast-food takeaway outside a fine dining restaurant in the race precinct;
- One business operator managed a corporate area at their business, which was the first time that the business had attempted this sort of undertaking. The business operator contacted other businesses involved with motorsports events in Australia for advice, and they used personal networks to develop a corporate partnership;
- Another business operator has changed their approach to bookings, now offering a five-hour lunch package for the 2018 event, which will be more profitable to the business.
- Two other business operators are likely to collaborate to offer a food and drink package for patrons for the 2018 event.
- One business operator recognised a missed opportunity. They had hosted one, profitably special event on one evening of the event weekend. For this year, they will host two such events.
Two business operators also noted that they had gained experience in working within a framework of a large corporation (Supercars).

However, some business operators interviewed explained that opportunities for upskilling from the event were (and are likely to continue to be) limited. The main reason offered was that patrons of Supercars were perceived to be largely disinterested in the offerings of many local businesses. The business operators attributed that to the product they were selling and its target audience, their location, or a preference for race patrons to enter and exit the race precinct as quickly as possible.

“The Supercars event has absolutely no positive impact on my business at all. A fine dining restaurant could never target the people who are coming to these events.”

Indeed, a number of business operators outside the precinct reportedly set up takeaway stalls such as coffee stands and stalls selling sausages and pies. However, for the above reasons, very little stock was sold.

“It is a little like taking your kids to the beach. They want to get there as soon as possible. But as soon as they set foot on the sand, that is when they want something to eat and drink.”

“They [patrons] are seasoned race goers. Their priority is getting a good vantage point [inside the precinct].”

“A bunch of us put on coffee stands. I think we all sold about four coffees each.”

A number of business operators expressed a desire during the interview (and reportedly to Supercars prior to the event) to be involved in the provision of corporate catering for the event. A few also observed that this opportunity would be important to showcase local produce and chefs. However, the perception existed that, this contract was awarded to a specific catering company, it was not possible for local businesses to be involved.

“[Newcastle / Hunter restaurants being excluded from corporate catering] is a real missed opportunity for Hunter businesses. They were serving South Australian wines at the corporate tents, not wines from the Hunter.”

“When they [Supercars] are coming in and ruining our business for three days, they should at least give us a chance to make a buck back.”

Stakeholder exposure to event management
Hosting the event was a unique undertaking for the CN and stakeholders, offering the opportunity for exposure to event management on the largest scale in Newcastle’s history. Some of the key components that made the 2017 inaugural event challenging for the CN and stakeholders included:
• The planning involved to convert part of the Newcastle CBD into a race track;
• Management of the condensed civil works program prior to the event;
• The number of residents and businesses that were located within the race
  precinct, and the need to communicate with these stakeholders
• Coordination of the 12 committees and working groups associated with the 2017
  event.

According to the CN, preparation for the event involved almost every team of Council to
varying degrees. Key staff from across the organisation worked toward a shared goal and
deadline to ensure that goals were achieved. Hosting a community event of the scale of
the Newcastle 500 Supercars event brought invaluable experience to many staff who
have not previously been involved in event management.

The scale of the committee and stakeholder meetings of the Newcastle 500 Supercars
event were the largest that the Council has ever participated in. These meetings
provided new opportunities for networking and collaboration and provided opportunities
to build trust among stakeholders. A major benefit of these collaborations is that they are
likely to have a positive impact on future working relationships.

The event also marked the first time that a Government Coordination Centre was formed
and utilised. This Centre offered a valuable learning experience for locally based
emergency services personnel. Specifically, the Centre provided exposure to a higher
level of operational management, extending that experience to many stakeholders
outside the emergency services as well.

In particular, the CN staff reported having learnt valuable lessons with regard to
improvement of event management, including the requirements and capabilities
required to host large-scale events.

“The hosting [2017] event now means that the region has the capacity
to host almost any large event.”

“Congratulations to Council and Supercars. It was an absolutely fabulous event.
Can’t wait till it’s here again.”

One stakeholder noted that the corporate function held at Fort Scratchley was useful as a
networking event as it was relaxed and had a great vantage point.
SUMMARY OF IMPACTS TO HUMAN CAPITAL

The impacts to human capital associated with the event have been summarised in the table below. From a general perspective, the broader Newcastle and Hunter region experienced an uplift in casual employment as part of the 2017 event. To the extent that such casual employment led to gains in skills, knowledge, and future employability, impacts could be seen as largely positive.

The impact to human capital for businesses inside the race precinct appears to have been neutral. While some upskilling was evident, some business operators experienced little upskilling, aside from being part of a major event and working with a large corporation (Supercars).

For businesses outside the race precinct, the impact is reported to have been negative. That is due to reports of lost trade and reduction in rostered staff numbers during the event weekend, which are not likely to have resulted in gaining abilities. More specifically, some of these business operators attempted to capture the Supercars patron market and noted that they were largely unsuccessful in their attempts.

The impact to human capital for residents in the CBD appears to have been neutral, with no evidence of a boost in skills and knowledge having been realised.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
<th>Stakeholder 3</th>
<th>Stakeholder 4</th>
<th>Stakeholder 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human</td>
<td>-/+</td>
<td>- for businesses</td>
<td>- for businesses</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

SOCIAL CAPITAL

Social capital refers to the social relationships and networks of a community. It includes aspects like community cohesion, trust, identity, shared values, civic pride and sense of place. The focus areas when assessing the impact of the Newcastle 500 Supercars event on social capital include:

- The impact of the event on community cohesion, relationships and civic pride;
- Value of participation in a community event;
- Trust in organisations (including Council and Supercars);
- Impacts to human health (stress); and
- Networking and relationship building opportunities.
Community cohesion

The ultimate effect of the Newcastle 500 event on community cohesion is difficult to gauge, particularly given the limited scope of this evaluation. That is because relationships between different stakeholders, or categories of stakeholders, appear to have been affected differently.

However, those interviewed tended to fall into one of three categories when discussing the effect of the event on community cohesion:

- Those who felt the event was divisive, and created tension and opposition amongst community groups: “substantial unrest”, “It has been disastrous, it has divided a community and created turf wars”, “Some of the East end people carried on so poorly. It was an embarrassment to Newcastle.”

- Those who felt that the event strengthened community relationships and cohesion as it unified residents of Newcastle East in their opposition to the event: “It brought us together. We shared information and support and wanted to look after our vulnerable citizens”;

- Those who believed that in general the event was a celebration that allowed large crowds of Novacastrians (and others) to come together to have a shared, positive experience.

One theme that arose from the in-depth interviews was the sense that there were conflicting values at play. That is particularly the case in relation to residents of Newcastle East who appear to appreciate the heritage and relative quiet of their suburb, which can be seen to be at odds with a loud motorsports event that attracts crowds of thousands. This conflict in values is an issue that will likely be difficult to address in relation to future such events.

Civic pride

Feedback from the in-depth interviews indicated that the event was a source of civic pride. It was perceived to showcase some of the most enviable parts of the Newcastle CBD, including heritage buildings and a pristine coastline.

“As a Novacastrian, I was very proud to be part of it. There was not one bit of trouble. Everyone should be proud of what we have achieved.”

“Every time someone compared Newcastle to Monte Carlo [on the televised race], I could not have been happier.”

“It [the event] made me proud to be a girl from Newcastle. The event was a true success and I cannot wait for this year.”

“Ive been a Novacastrian all my life and I had to pinch myself quite a few times to realise that this is Newcastle.”
Value of participation in a community event

The specific event format of a *Periodic Hallmark Event* (a major event format which occurs once or periodically) has been argued to be a key mechanism in energising communities, increasing visitor numbers and strengthening a destinations’ position as a desirable travel market (Olivier and Carlson, 2018)\(^{31}\). Periodic Hallmark Events are deemed to possess high tourist demand and value, and be synonymous with the destination hosting it. Australian examples include the Australian Country music Festival in Tamworth, the Melbourne Comedy Festival, the Adelaide Arts Festival and the Sydney Gay and Lesbian Mardi Gras. “PHEs are events that become so identified with the spirit or ethos of a town, city or region that such events become synonymous with the name of the place, and gain widespread recognition and awareness (Bowdin, McDonnell, Allen and O’Toole, 2001\(^{32}\)).” (Olivier and Carlson, 2018:3).

Olivier and Carlson (2018) explore a framework drawing a link between participant value and satisfaction from attending a ‘hallmark event’. Flowing from this increase in satisfaction and value of attendees are improvements in event loyalty, subjective well-being, destination image and destination loyalty. Loyalty and satisfaction have been shown to be factors in establishing long-term relationships for attendees, which result in repeat visits. Where an event is able to build ‘attachment to place’, researchers have established several important benefits, including more return visits and willingness to pay a higher price (Chung, Kyle, Petrick and Absher, 2011\(^{33}\)) as well as positive word-of-mouth promotion of the tourist destination (Lee & Kyle, 2014\(^{34}\); Lee et al., 2012\(^{35}\)).

In addition, Arcodia and Witford (2007)\(^{36}\) argue that festival attendance builds social capital through the development of community resources, promoting social cohesion and giving an opportunity for public celebration. Finkel (2010)\(^{37}\) writes that festivals can be a mechanism for strengthening communities by providing opportunities for shared, collective action and experiences.

Those who were present in the race precinct during the event spoke glowingly about it. It was described as an ‘exhilarating’, ‘phenomenal’ event, with patrons appearing ‘euphoric’ during their attendance. The backdrop of the Newcastle CBD and coastline was described as a particular highlight that added novelty and a point of difference to other motor sports events:

---

31 Olivier, L. and Carlson, J., (2018), Examining the Antecedants and Consequences of Customer Perceived Value in Periodic Hallmark Events, *manuscript provided by author*, University of Newcastle.
37 ‘Dancing around the ring of fire’, Social capital, tourism resistance and gender dichotomies, Finkel, 2010
“Single best event ever held in Newcastle.”

“I travel with my partner to many motorsports events all over Australia, and we both thought it was the best one that we have been to.”

“The race was super, super exciting.”

“On race day it was so much more than expected – hearing the Supercars fly up Watt Street in between the buildings was amazing. The smiles on kids’ faces, the race fans cheering on their drivers and the roar of the Supercars was just the best feeling.”

“I’m not a rev-head, but it was pretty amazing.”

“So cool to watch the massive V8s hammer down the hill at Newcastle Beach.”

“Getting to see their sport in their neighbourhood and seeing their heroes. I went there, and I have never seen anything so fast – it was awe-inspiring. The noise is exhilarating as hell. It is something to behold.”

The majority of positive comments were made by business operators, some of whom had also complained of lost revenue in the months leading up to the event and at best modest gains on the event weekend. They were not necessarily motorsports fans and their attendance was situational. That suggests that the value of attending the event for other local patrons (e.g., taking pride) and visitors could be seen to have been very positive.

**Trust in organisations**

The two interviews with East End residents suggested that personal trust in the CN may have been negatively affected due to their involvement in the event. Where a decline in trust was reported by interviewees this was attributed to the perception that Council withheld information and failed to understand the level of community concern about the event.

“It has led to a lot of distrust in our leadership. Consultation with community was botched, and they did not understand the level of community and attachment here. We have been called a bunch of whingers and told that ‘Cities evolve and not everyone makes it.’ Why couldn’t they [Council] have said something more supportive, like – ‘We have built a strong community, and we want to enhance and preserve it, regardless of the Supercars.’”

In addition, one stakeholder and one resident referred to the Supercars services deed being withheld from the CN Councillors38 as evidence to support a sense of distrust in Council.

---

38 Newcastle 500: Supercars services deed kept secret from councillors, June 9 2018
Attitudes and trust toward Supercars were more mixed. In general, many expressed admiration for the perceived “slick, well oiled machine” business model and operations. Some were appreciative of the responsiveness, particularly from the Community Engagement Officer.

However, it was expressed by all residents and business operators interviewed that Supercars is profit-motivated and does not have the interests of the local residents or business community as its primary motivator:

“It is the most lucrative business in hospitality that I have seen. They are the traditional ‘Carnies’ personified – they come in, they take all the money, and they run.”

“We [the business community] need to rally together to compete with them [Supercars].

As evidence to support this perception, business operators of businesses inside the race precinct were reportedly required to absorb the cost of event tickets for patrons booked into their venue (less 10%). They were also charged a fee by SuperCars Australia to screen the Newcastle 500 race live on television.

Impacts to human health (stress)
A number of residents and business operators interviewed reported experiencing stress as a result of the event. A range of reasons for this stress were identified, including:

- Uncertainty regarding the impact of the event on residents and businesses “A lot of people were anxious about their business or how they would get to work”;
- Loss of income due to accessibility issues (businesses);
- Conflict with other residents or at Supercars meetings “I stopped going to the community meetings as it was upsetting to hear about [other residents’] experiences”;
- Perceptions of lack of communication and transparency from Supercars and Council;
- Lack of support in navigating the event parameters, particularly with regard to business advice and accessibility.

Networking and relationship building
The following section explores the impact of the event on networking and relationship building for project stakeholders, residents and business operators.
Project stakeholders

The governance structure of the Supercars event included 12 separate working groups and committees made up of government stakeholders, media partners key industry partners, local businesses and residents. This structure included representatives from over 25 organisations. The governance structure is summarised in the figure below.

(Reference: 2017 Newcastle 500 – Governance structure, NCC)

Literature indicates that establishing and strengthening networks can be a key way in which community events can enhance social capital\(^\text{39}\).

As previously mentioned, the networks developed through the committee and stakeholder meetings of the event were of profound importance to Council in terms of collaboration and trust and relationship management. Specifically, the relationships established are likely to lead to more effective relationships and efficiencies between stakeholders in the future, particularly with regard to management of large community events.

\(^\text{39}\) Using tourism to build social capital in communities, Moscardo (et al), 2013
Local business operators

We would expect that a major event would provide an opportunity for business operators to ask for favours, return favours, lend help, however the in-depth interviews yielded few of these examples that could be attributed to the event. However, the impact of the event on enhancing networking opportunities for business was perceived to be limited.

There was one example of a local fast-food restaurant located outside of the race precinct, teaming up with a restaurant inside the race precinct to create a ‘pop-up’ shop designed to provide the type of takeaway food that would sell well with the event patrons. However, a preexisting relationship existed between the two managers that would have certainly assisted in ensuring the transaction was conducted smoothly.

SUMMARY OF IMPACTS TO SOCIAL CAPITAL

The impacts to social capital are summarised in the table below and indicate a range of impacts to different stakeholder categories. Those businesses and residents inside the race precinct were most likely to experience negative impacts to social capital due to reports of stress and uncertainty associated with the event. They were also reported to have reduced levels of trust toward Council and Supercars.

Relationships, connectedness and trust amongst some residents (including the Newcastle East Residents Group) gained strength, which can be seen to have enhanced aspects of social capital for these members. However, that needs to be considered in the context of conflicting views with proponents of the race event, which could be seen as a decline in social capital.

Those in the broader Hunter region and Newcastle LGA (where many patrons reside) were more likely to experience positive impacts to aspects reflecting social capital, such as civic pride and enjoyment of the value of the event.

Government and other stakeholders were most likely to experience positive impacts of the event, particularly related to experience in collaborative event management, networking and relationship building opportunities.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
<th>Stakeholder 3</th>
<th>Stakeholder 4</th>
<th>Stakeholder 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>- in general</td>
<td>-/+</td>
<td>-/+</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td></td>
<td>+ in NERG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MANUFACTURED CAPITAL

Manufactured capital refers to goods and fixed assets. It includes buildings and all forms of infrastructure, such as roads, bridges and walkways. The focus areas when assessing the impact of the Supercars event on the manufactured capital of the Newcastle LGA are:

- New infrastructure developments;
- Impacts to heritage items; and
- Damage to buildings and roads as a direct result of the event.

New infrastructure developments

One of the key benefits of hosting the Supercars event was the accelerated civil works program that took place in the lead up to the 2017 event. The program, valued at $8.8 million, included renewal of roads, footpaths and kerbs throughout the precinct. There was also renewal of drainage and water mains and widening of a key footpath bottleneck along the Newcastle Foreshore. Activities commenced that were highlighted in the Foreshore Plan of Management, which was approved by Council in 2015 after extensive public consultation. The civil works took place between May 29 2017 and February 28 2018.

Some of the major works and benefits included:

- kerb, footpaths and road surface renewed, and water mains and stormwater drainage upgraded in Watt Street and Nobbys Road;
- road services placed underground for smart lighting in Watt Street, Wharf Road and Pasha Way as part of Council’s Smart City project;
- improved connection between Joy Cummings Promenade and Bathers Ways at Nobbys with the pathway expanded to 4m-wide shared pathway;
- two existing carparks on the southern side of Wharf Road were linked to provide new parking spaces;
- reconfiguration of Wharf Road/Pasha Way/Horseshoe Beach access to improve safety;
- Horseshoe Beach car park resurfaced;
- improvements to Foreshore Park pathways;
- new pedestrian crossing on Wharf Road and Pasha Way to improve pedestrian safety;
- Tug Berth Road turned into a separated cycleway, improving pedestrian and cycle access;
- new pedestrian crossing on Wharf Road and Pasha Way to improve pedestrian safety;
- improvements to Foreshore Park pathways;

40 ‘Supercars fast tracks city upgrades’ Newcastle City Council Media Release, March 2017
• improved pedestrian access between Nobbys Road/Wharf Road car park through levelled out surfaces;
• new bus drop off zone on Nobbys Road at Nobbys Beach;
• 236 new plantings, including 55 new Norfolk Pines along Wharf Road and Nobbys Road; and
• useable shade canopy of around 9,800 square metres (sqm), up from around 500 sqm.

CN estimates that the accelerated civil works program condensed eight years of work into a period of less than twelve months\textsuperscript{41}.

While the Civil works program was perceived to be disruptive for some residents and businesses, there was a level of appreciation for the completed works from interviewees:

“It’s [civil works] brilliant. I have been driving up Watt St for 15 years, and now it is nice and smooth, with all the curbs completed.”

“It’s had an incredibly positive impact. They [Council] did everything in one hit.”

“It all feels fresher and neater [in the CBD].”

**Impacts to heritage items**

Archeological and Aboriginal heritage assessments were conducted prior to the civil works, by Umwelt. The following Aboriginal parties were consulted as part of the Aboriginal heritage assessment:

• Awabakal Local Aboriginal Land Council
• Awabakal Descendants Traditional Owners Aboriginal Corporation and
• Awabakal Traditional Owners Aboriginal Corporation.

The findings from the assessments were as follows:

• the proposed civil works were assessed as being unlikely to expose any significant archaeological remains\textsuperscript{42}; and
• the proposed works would not impact upon any known Aboriginal cultural heritage sites and/or areas of potential\textsuperscript{43}.

One heritage item, the Jubilee monument, was moved from Parnell Place in order to widen the road for the Supercars event. The monument has been replaced 70 metres from its original location\textsuperscript{44}.

---

\textsuperscript{41} Response to NERG submission, NCC
\textsuperscript{42} Coal River Precinct Archaeological Assessment, Civil Works Newcastle V8 Supercars, Umwelt 2017
\textsuperscript{43} Aboriginal Cultural Due Diligence Assessment, Civil Works Newcastle V8 Supercars, Umwelt 2017
\textsuperscript{44} Response to NERG submission, NCC
**Damage to roads and buildings**

According to the City of Newcastle, there were some isolated areas where there was damage to the road surface as a result of the event (e.g., at the intersection of Zaara St and Scott St). However, none of the damage was considered to be critical to the performance of the pavement, and no repairs have been required, aside from the initial treatment completed during the race to control any further surface degradation.

With regard to building damage, there was no reported damage to any Council buildings. There have been reports received of claims made by residents in Newcastle East that damage was caused to private buildings as a result of the race. These claims have been made against Supercars as the event promoters. They have been addressed through the standard insurance process for matters of this type. Council has not been involved in this process. It is important to note that one interviewee noted that this process had been extremely frustrating and stressful to those residents pursuing these claims.

**SUMMARY OF IMPACTS TO MANUFACTURED CAPITAL**

The following table summarises the impacts to manufactured capital. The majority of stakeholder group representatives interviewed reported that they were positively impacted by the infrastructure upgrades associated with the accelerated civil works and improvements. Residents inside the race precinct, based on these interviews and other data, such as submissions to Council, would be seen to have experienced both positive and negative impacts. The positives – upgrades to infrastructure – were accompanied by negatives, with some highlighting concerns about damage to buildings and roads.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
<th>Stakeholder 3</th>
<th>Stakeholder 4</th>
<th>Stakeholder 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>-/+ residents + businesses</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>
CONCLUSIONS

Based on the research findings, the following conclusions have been made:

- The economic impact of the Newcastle 500 on the Newcastle LGA’s economy is substantial (using Scenario 2):
  - Direct injection of $8.9M from the additional visitor spend measured as gross-revenue or output ($4.75M value-add) with flow-on benefits of $9.71M (4.98 value-add).
  - Direct injection of $4.97M measured in output or gross revenue ($1.56M value add) from the expenditure of Supercars Australia on local contractors and suppliers - during the bump-in, race and bump-out period. Additional flow-on benefits were estimated to be $6.5M ($2.9M value-add).
  - Between 66-74 FTE jobs (year-round equivalent) generated from the direct expenditure injections, and 46-50 FTE through flow-on benefits to the local economy.
  - The Newcastle 500’s economic benefit for the Newcastle LGA of between $27.8M-$30.1M in output. The event contributed between 13M-14.2M to local Gross Regional Product, which is conventionally measured in value-add terms.

- With regard to natural capital, residents and businesses in and just outside the perimeter of the race precinct have experienced the most negative impacts due to acute accessibility and noise impacts. The broader Hunter was less impacted by environmental and amenity impacts. The Hunter may be more likely to benefit from the induced tourism and business investment that may result from the promotion of Newcastle as part of the 2017 event.

- With regard to human capital, casual employment – with skills and insight gained through that employment – were seen to climb as part of the event. That would have been of benefit to some individuals in the broader Newcastle and Hunter region. However, the impact to human capital for business operators and residents in the CBD appears to have been neutral, with no evidence of a boost in employment and associated skills having been realised. Human capital for staff in Government and other race event stakeholders could be seen to have climbed in terms of experience with event management.

- The impact to social capital appears to have been mixed. Business operators and residents inside the race precinct and on the perimeter were more likely to experience negative impacts to social capital due to reports of stress and uncertainty. However, those in the broader Hunter and Newcastle LGA were more likely to experience positive impacts to social capital, such as civic pride and enjoyment of the value of the event. Social capital was also enhanced for Government and other stakeholders in terms of networking and relationship building opportunities.
In terms of **manufactured capital**, the majority of stakeholder groups whose representatives were interviewed reported that they were positively impacted by the infrastructure upgrades associated with the accelerated civil works and improvements.

<table>
<thead>
<tr>
<th>Capital</th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
<th>Stakeholder 3</th>
<th>Stakeholder 4</th>
<th>Stakeholder 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural</td>
<td>- / -</td>
<td>- / -</td>
<td>- / +</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Human</td>
<td>- / +</td>
<td>- for businesses</td>
<td>- for businesses</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Social</td>
<td>- in general + for NERG</td>
<td>- / +</td>
<td>- / +</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td>Manufactured</td>
<td>- / + residents + businesses</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

The following **opportunities and considerations were expressed by those interviewed:**

- Promoting the message that Newcastle is ‘still open for business’ for non-attendees of the event, to lessen the impact of ‘crowding out’;
- Community-building activities, such as greater involvement or promotion (where possible) with Newcastle-based charities;
- Supercars to show further good will to business operators where possible, such as greater discounts on patron tickets or advice (e.g., corporate catering);
- Placement of satellite events outside the race precinct to attract and retain patrons and non-patrons;
- Inclusion of additional resident-only access points to aid resident access during the event; and
- Early communication about the extent of and access to the race precinct, including exclusion and inclusion zones, parking changes and drop off points.
### Appendix A

#### Table A1 Visitor Expenditure Per Person Per Day, 24-26 November

<table>
<thead>
<tr>
<th>Geografia Expenditure Category</th>
<th>Total Expenditure ($)</th>
<th>Unique cardholders/people</th>
<th>Expenditure ($ per person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulky Goods</td>
<td>38,807</td>
<td>4220</td>
<td>103.98</td>
</tr>
<tr>
<td>Department Stores</td>
<td>714,412</td>
<td>5359</td>
<td>133.31</td>
</tr>
<tr>
<td>Dining &amp; Entertainment</td>
<td>2,173,817</td>
<td>32,580</td>
<td>66.72</td>
</tr>
<tr>
<td>Discount Department Stores &amp;</td>
<td>793,814</td>
<td>6445</td>
<td>123.17</td>
</tr>
<tr>
<td>Clothing &amp; Textiles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; Other Household</td>
<td>328,472</td>
<td>1177</td>
<td>279.08</td>
</tr>
<tr>
<td>Goods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery Stores &amp; Supermarkets</td>
<td>921,546</td>
<td>21,529</td>
<td>42.80</td>
</tr>
<tr>
<td>Light Industry</td>
<td>88,564</td>
<td>750</td>
<td>118.09</td>
</tr>
<tr>
<td>Other</td>
<td>48,278</td>
<td>1151</td>
<td>41.94</td>
</tr>
<tr>
<td>Personal Services</td>
<td>181,596</td>
<td>2097</td>
<td>86.60</td>
</tr>
<tr>
<td>Professional Services</td>
<td>610,204</td>
<td>2411</td>
<td>253.09</td>
</tr>
<tr>
<td>Specialised &amp; Luxury Goods</td>
<td>1,148,702</td>
<td>10,557</td>
<td>108.81</td>
</tr>
<tr>
<td>Specialised Food Retailing</td>
<td>691,806</td>
<td>10,978</td>
<td>63.02</td>
</tr>
<tr>
<td>Trades &amp; Contractors</td>
<td>33,789</td>
<td>422</td>
<td>80.07</td>
</tr>
<tr>
<td>Transport</td>
<td>804,858</td>
<td>12,133</td>
<td>66.34</td>
</tr>
<tr>
<td>Travel</td>
<td>267,921</td>
<td>2972</td>
<td>90.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,978,667</strong></td>
<td><strong>111,809</strong></td>
<td><strong>80.30</strong></td>
</tr>
</tbody>
</table>

Source: *Geografia Spendmapp*, 2017. Visitor spend is defined as expenditure by people who reside outside the Newcastle LGA, within the Newcastle LGA. The ‘total’ excludes expenditure on ‘travel’ (hotels, motels, car hire and airlines) has been excluded on the basis that this per day per person spend is being applied to our estimated number of ‘day-trippers’.
Appendix B

Supercars Evaluation - interview/discussion guide

Hi, my name is Kris Giddy/Will Rifkin from the Hunter Research Foundation Centre at the University of Newcastle. We are undertaking an impact assessment of the Supercars event for Newcastle City Council.

We are particularly interested in understanding your thoughts on the impact of the Supercars event across a number of key areas, as well as the benefits and costs of the event and opportunities for improvement of future events.

If you consent to be interviewed for this project, you are agreeing to participate in this research study. Participation is voluntary, and you can choose to withdraw from the study at any time. You can also refuse to answer any of the questions that you will be asked. The information that you will provide will be treated confidentially. Your responses will be de-identified at the time of reporting, so your feedback will not be linked to you.

The interview is likely to take 30 minutes to one hour to complete. With your permission, the interview will be recorded. This recording is for reporting accuracy only. It will not be shared with anyone outside the research team.

If you have any questions or comments to make after the interview, you are welcome to contact the HRF Centre’s Lead Economist – Dr Anthea Bill on 02 4985 4295 or Anthea.Bill@newcastle.edu.au.

Do you agree to participate in the study?

The first few questions are to establish some background about your level of exposure to the event.

1. What was your level of involvement with the Supercars event?
   
   (Confirm where business / home is located, refer to race precinct map)
   
   a. Did you attend the event or were you inside the race precinct area during the event weekend?
   
   b. **If yes**, can you provide your overall thoughts on the event first-hand? E.g., crowds, management of the event, entertainment, atmosphere
   
   c. **If no**, what were your overall thoughts on the event as a non-attendee? How did you gain these impressions? Based on what you read, what others told you, what you saw in the news?
   
   d. What are some words or phrases you would use to sum up the event?
Benefits and costs (General discussion)

2. In your opinion, what were the benefits of the Supercars event for you/your business?

3. What about the costs or negative aspects of the event for you/your business?

4. How do you feel that others were (either residents or businesses) affected by the event? Effects could be positive or negative. How do you know about these effects?

Impacts (general discussion)

Now I am going to ask about your thoughts on the impacts of the Supercars event on a number of key areas.

5. Were there any impacts of the Supercars event that were of concern to you? If yes, explain more fully, e.g., What impacts were the most important? Why were they of concern? Did you experience them personally?

6. How do you think that these impacts could be reduced for this year’s coming event?

7. What were the positive impacts of the event, in your opinion?

8. How could these positive impacts be enhanced for this year’s event?

Economic Capital

9. What do you perceive to be the economic or financial impact of the Supercars event for Newcastle and the Hunter region?

10. [For businesses only] Did you do anything to prepare for the event weekend? If yes, what did you do? Did it have the effect that you hoped for? Why or why not?

11. [For businesses only] During the event weekend, were there fewer or more customers that accessed your business compared to a similar weekend?
   
   a. In your opinion, why more customers / why fewer?

   b. If your business experienced higher trade / revenue, how was the extra cash flow utilised by the business? E.g., have you improved the shop or hired more permanent staff?

12. Did you experience any unusual peaks or troughs in customer numbers in the week or two before or the week or two after the event? Describe the changes and their implications for your business.

13. Is there anything that you will do differently for this year’s event? Explain.
Natural Capital

14. Were you aware of any environmental impacts (either positive or negative) as a result of the race? If yes, please describe them.

15. Did you experience impacts to amenity as a direct result of the event? Amenity includes noise, dust, vibration, visual impacts, safety or impacts to health.
   a. If yes, how could the negative impacts be reduced at this year’s event?

16. Existing data indicate that access to homes and businesses was an impact of concern for residents and business owners. How was your access to a property or business affected during*:
   a. The ‘Bump-in’ period from October 16th to Friday 24th November
   b. The event weekend (Friday 24th to Sunday 26th 7pm)
   c. The ‘bump-out’ period from Sunday 26th 7pm to Friday 22nd December

   (*Refer to race precinct map in this discussion)

Human Capital

17. Thinking about the Supercars event, do you think that you – or your family / staff - gained skills or knowledge as a result of the event that could benefit you or your business? If so, what was learned and by whom? E.g., Business learned how to boost profit during the event; employees, volunteers, other organisations learned something.

Social Capital

18. In your opinion, what impact do you think the event had on general community cohesion and relationships? What are some specific / personal examples?

19. What about changes in relationships between organisations? Where do you see that trust has been developed? Where do you feel that it has been eroded?

20. What effect do you think that the event has had on community / civic pride?

21. In your opinion, what is the value of the Newcastle 500 event for attendees?

22. Are you aware of any networking opportunities or relationship-building opportunities that occurred as a result of the event? What are some specific / personal examples where you took part?

23. [For businesses / organisations only] Did the event (or lead up) result in any partnerships, relationship-building or transactions that would not otherwise have taken place? If yes, please describe what developed.
**Manufactured Capital**

24. What positive or negative impacts to infrastructure in the Newcastle CBD are you aware of, including changes to buildings and roads, as a result of the event? Do you see that change as an improvement or as a problem? Why?

**Opportunities for improvement**

25. In your opinion, how can the event be improved, aside from ways that you have already mentioned? What sort of improvement, and with what intended outcome? How difficult would that be to implement, do you think?

26. Do you have any further suggestions for projects or initiatives that could be implemented by Supercars or Newcastle City Council?

27. Is there any further information about the event that you feel might be helpful?

That is the end of the interview. What other comments would you like to make about the Supercars event?

Thank you for your time.
Information Statement

Information Statement for the Research Project:

Evaluation of the 2017 Newcastle 500 Supercars Event
Document Version 2 dated 07/09/2018

You are invited to participate in the research project identified above, an evaluation of the 2017 Newcastle 500 Supercars event by the Hunter Research Foundation (HRF) Centre, University of Newcastle. The research is being conducted by Dr Anthea Bill – Lead Economist and Kris Giddy – Research Officer along with Professor Will Rifkin – Director and Chair in Applied Regional Economics.

This evaluation has been funded by the City of Newcastle.

Why is the research being done?

The purpose of the research is to provide Newcastle City Council with an assessment of the economic and non-economic impacts of the 2017 Newcastle 500 Supercars event. In addition, recommendations will be made for increasing the benefits and reducing any disadvantages experienced by local businesses and residents.

Who can participate in the research?

You have received this information as you have been identified as a business owner, resident or stakeholder with relevance to the Newcastle 500 Supercars evaluation.

We are seeking to gather feedback from an array of residents and businesses within the Newcastle CBD. We are also asking selected representatives of organisations able to offer insights into the 2017 Newcastle 500 Supercars event.
Anyone who does not meet the inclusion criteria will be excluded from the participating in the research.

**What would you be asked to do?**

If you agree to participate, you will be asked to take part in a semi-structured interview. The interview is to gather your feedback about what you see as the benefits and costs of the 2017 Newcastle 500 Supercars event.

You will be provided with the questions immediately prior to the interview. You are free to withdraw from the study after viewing the research questions if you so choose.

With your consent, the interview will be recorded for reporting purposes only. Your name and any other identifiers will not be recorded. Upon request, a transcript of the interview may be made available to you to review or edit.

**What choice do you have?**

Participation in this research is entirely your choice. Only those people who give their informed consent will be included in the project. Whether or not you decide to participate, your decision will not disadvantage you.

If you do decide to participate, you may withdraw from the project at any time (e.g., up to the point of publication) without giving a reason. You have the option of withdrawing any information that might identify you or that you do not wish to be included in the study.

**How much time will it take?**

The interview is likely to take 30 minutes to one hour to complete.

**What are the risks and benefits of participating?**

The main benefit of participation will be contributing to the body of knowledge that will inform the evaluation of the 2017 Newcastle 500 Supercars event.

In addition, as the event has been known to cause stress to some groups and individuals, the study provides the opportunity to participate in an independent evaluation and to have your voice heard.

Specifically, feedback will be used to frame the recommendations from the evaluation. The overall aim of the study is to enhance the benefits and reduce the disadvantages of the event for the broader Newcastle community.

There is a chance that participation in the study may cause distress to some individuals. If this occurs, you can choose to terminate the interview at any time (including up until the point of publication) or refuse to answer a question. In addition, upon request you will have the opportunity to review and edit the transcript of the interview.

If you have any concerns after the interview, you are free to contact the HRF Centre’s Lead Economist – Dr Anthea Bill on Anthea.Bill@newcastle.edu.au or on 02 4985 4295.
Alternatively, to speak to a mental health professional, contact Lifeline on 13 11 14.

**How will your privacy be protected?**

The information that you will provide will be treated confidentially. Your responses will be de-identified at the time of reporting; so your feedback will not be linked to you.

If we decide to transcribe any of this interview, that transcription will be undertaken by a member of the HRF Centre’s research team. Names or any identifiers will not be included in the transcription. If the need arose to use an external transcription service, a confidentiality agreement would be put in place prior to transcription.

The research data will be held in the Centre’s database in de-identified form in a password protected file. Identifiers will be replaced by a code, and the master list - linking the code to each person’s name – will be stored independently to protect the database. Only researchers from the HRF Centre will have access to these data files.

In accordance with the HRF Centre's data policy, data will be destroyed after 15 years.

**How will the information collected be used?**

A presentation and Word report will be provided to Newcastle City Council. The results will then be presented to the Newcastle City Councillors in a workshop setting. Following this, the report and attachment will be tabled for endorsement at a Council meeting. The Council report and attachment will be made available on Council’s website (www.newcastle.nsw.gov.au). It will be accessible to the public prior to the Council meeting to endorse the report in mid-October.

It is also likely that a press release will be utilised to disseminate some of the findings to the broader community.

Individual participants will not be identified in any reports arising from the project.

The interview will be recorded for reporting purposes only. These recordings may be referred to if further clarification of any points raised is required.

Non-identifiable data may be shared with other researchers to enable scientific scrutiny, and to contribute to further research and public knowledge, or as required by law.

**What do you need to do to participate?**

Please read this Information Statement and be sure that you understand its contents before you consent to participate. If there is anything that you do not understand, or if you have questions, contact the researcher.

If you would like to participate, please return the signed consent form to Kris.Giddy@newcastle.edu.au. Please include your best contact on the form and we will then arrange a suitable time and place to conduct the interview.
Further information

If you would like further information please contact Dr Anthea Bill at Anthea.Bill@newcastle.edu.au or on 02 4985 4295.

Thank you for considering this invitation.

Dr Anthea Bill
Lead Economist
Hunter Research Foundation Centre
Faculty of Business and Law
University of Newcastle

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2018-0342

Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Services, NIER Precinct, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone (02) 4921 6333, email Human-Ethics@newcastle.edu.au.
Consent Form for the Research Project:
Evaluation of the Newcastle 500 Supercars Event

Dr Anthea Bill, Kris Giddy, Professor Will Rifkin

Document Version 1 dated 16/08/18

I agree to participate in the above research project and give my consent freely.

I understand that the project will be conducted as described in the Information Statement, a copy of which I have retained.

I understand that I can withdraw from the project at any time (including up to the point of publication), and do not have to give any reason for withdrawing.

I understand that, upon request, I can request to view the transcript of the interview that I participate in to edit or delete my comments.

I consent to:
• participate in an interview and have it recorded; and
• be contacted prior to reporting of findings to clarify any points raised, if required.

I understand that my personal information will remain confidential to the researchers.

I have had the opportunity to have questions answered to my satisfaction.

Print Name: _____________________________________________________________

Best contact (if interview is to be arranged for a later date): ______________________

Signature: ___________________________ Date: __________